ONTARIO FINANCES

2001-02 SECOND QUARTER — QUARTERLY UPDATE - SEPTEMBER 30, 2001

Ontario
Ministry of Finance

Fiscal Summary
($ Millions)

	Actual 2000-01	2001-02 Budget Plan	2001-02 Current Outlook	In-Year Change
Revenue	64,682	64,270	64,112	(158)
Expenditure				
Programs	50,075	52,011	52,207	196
Restructuring and Other Charges	31	--	--	--
Total Program Expenditure	50,106	52,011	52,207	196
Capital	2,079	1,944	1,949	5
Public Debt Interest				
Provincial	8,896	8,795	8,736	(59)
Electricity Sector	520	520	520	--
Total Expenditure	61,601	63,270	63,412	142
Less: Reserve	--	1,000	700	(300)
Add: Decrease/(Increase) in Stranded Debt from Electricity Sector Restructuring to be Recovered from Ratepayers*	244	140	140	--
SURPLUS / (DEFICIT)	**3,325**	**140**	**140**	**--**

* Reflects the estimated excess of revenue over expenditure of the Ontario Electricity Financial Corporation (OEFC). Consistent with the principles of electricity restructuring, OEFC debt is to be recovered from ratepayers, not taxpayers.

HIGHLIGHTS

2000-01 PUBLIC ACCOUNTS

- The 2000-01 Public Accounts, released September 21, 2001, reported the 2000-01 audited actual surplus at $3,325 million, up $133 million from the $3,192 million interim estimate in the 2001 Ontario Budget.

2001-02 IN-YEAR PERFORMANCE

BALANCED BUDGET OUTLOOK

- The 2001-02 fiscal outlook is on track with the Budget Plan. As of September 30, 2001, a surplus of $140 million is projected, unchanged from the 2001 Ontario Budget and First Quarter Ontario Finances.

REVENUE AT $64.1 BILLION

- The revenue outlook, at $64,112 million, is down $158 million from the Budget Plan and First Quarter Ontario Finances, mainly due to decreases in corporations tax revenue, partially offset by higher personal income tax revenue.

EXPENDITURE AT $63.4 BILLION

- Total expenditure, at $63,412 million, is up $142 million from the Budget Plan and First Quarter Ontario Finances, mainly due to increased funding for hospitals, partially offset by savings in Public Debt Interest (PDI).

RESERVE AT $0.7 BILLION

- Ontario's 2001-02 Budget Plan included a $1 billion reserve designed to protect the balanced budget against unexpected and adverse changes in the economic and fiscal outlook. With economic growth slower than projected and consistent with the role of the reserve in prudent budgeting, $300 million of the reserve has been allocated to ensure the balanced budget target is met. The $700 million balance of the reserve will be available for debt reduction at year end if not needed.

For further information contact
Communications and Corporate Affairs Branch (416) 325-0333
Frost Building North, Queen's Park
Toronto M7A 1Z1

This document is available on the Internet at: http://www.gov.on.ca/FIN/english/engdoc.htm

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FISCAL PERFORMANCE

REVENUE

- The revenue outlook, at $64,112 million, is down $158 million from the Budget Plan and First Quarter Ontario Finances. Major changes this quarter are:
  - Personal Income Tax (PIT) is projected to increase by $250 million primarily due to higher 2000 PIT assessments than expected at the time of the 2000-01 Public Accounts. This PIT increase is partially offset by the impact of slower wages and salaries growth in 2001, lower expected capital gains income arising from the decline in stock prices this year and the benefits to taxpayers of accelerating tax cuts originally planned for January 1, 2002.
  - The projection for Corporations Tax revenues has been lowered by $400 million due to lower expected profit levels this year and the acceleration of corporate tax cuts originally scheduled for January 1, 2002.
  - The Retail Sales Tax revenue forecast has been reduced by $50 million as a result of lower consumer and tourist spending expected in the wake of the tragic events of September 11 in the United States.
  - The Tobacco Tax revenue forecast has increased by $40 million as a result of the tax increase announced by the federal government which, under Ontario legislation, automatically increases Ontario Tobacco Tax by an equivalent amount.
  - Miscellaneous Other Revenue is up $2 million due to an increase in revenue for expanded OPP policing of Highway 407 and policing services provided by the OPP for the towns of Collingwood, New Tecumseth, Orillia and Penetanguishene.

OPERATING EXPENDITURE

- Net operating expenditure, at $61,463 million, is up $137 million from the Budget Plan and First Quarter Ontario Finances. Major changes this quarter include:
  - Ministry of the Attorney General: An additional $3 million to assist victims and families of victims of the tragic events of September 11 in the United States, and a $3 million reduction due to the transfer of funds from operating to capital spending for the Victims' Justice Action Plan.
  - Ministry of Economic Development and Trade: An additional $1 million for the Task Force on Productivity, Competitiveness and Economic Progress, fully offset from the Contingency Fund.
  - Ministry of Energy, Science and Technology: An additional $2 million for consumer education and communications related to the opening of the electricity market, fully offset from the Contingency Fund.
  - Ministry of the Environment: An additional $3 million for development of policy and guidelines for groundwater protection, fully offset from the Contingency Fund.
  - Ministry of Finance: An additional $37 million for one-time payments to low- and middle-income working families with children under the age of seven.
  - Ministry of Health and Long-Term Care: A net increase of $226 million in the ministry including an expenditure increase of $300 million for hospitals across the province to better address the changing and rising costs of caring for patients, partially offset by $73 million in one-time underspending and ongoing administrative efficiencies in the ministry and $89 million from the Contingency Fund; and an expenditure decrease of $1 million due to the transfer of funds to the Ministry of Training, Colleges and Universities for capital expenditure related to increased medical student enrolment.
  - Ministry of the Solicitor General: An additional $10 million for the Province's counterterrorism and emergency management strategies, and an additional $2 million for expanded OPP policing of Highway 407 and for OPP policing contracts for Collingwood, New Tecumseth, Orillia and Penetanguishene, offset by increased revenue.
  - Ministry of Tourism, Culture and Recreation: An additional $10 million to launch an enhanced tourism marketing campaign.
- The Public Debt Interest forecast of $9,256 million consists of $8,736 million related to the Province's borrowing on its own behalf and $520 million related to the interest on debt issued for investment in the electricity sector. This forecast is down $59 million from the Budget Plan and First Quarter Ontario Finances due to lower-than-expected interest rates and cost-effective debt management.

CAPITAL EXPENDITURE

- Capital expenditure, at $1,949 million, is up $5 million from the Budget Plan and First Quarter Ontario Finances. The major changes this quarter are as follows:
  - Ministry of the Attorney General: An additional $9 million to permanently relocate East Mall court operations in Toronto, fully offset from the Capital Contingency Fund, and an increase of $3 million due to the transfer of funds from operating to capital expenditure to be used for the Victims' Justice Action Plan.
  - Ministry of Education: An additional $4 million to enhance protection of drinking water in elementary and secondary schools, fully offset from the Capital Contingency Fund.
  - Ministry of the Environment: An additional $8 million to assist conservation authorities and municipalities to conduct assessments of groundwater quality and quantity, fully offset from the Capital Contingency Fund.
  - Ministry of the Solicitor General: An additional $1 million towards the building of an anti-terrorism training facility at the Ontario Police College and an emergency management training centre for first responders at the Ontario Fire College.
  - Ministry of Training, Colleges and Universities: An additional $1 million for capital expenditure related to increased medical student enrolment, transferred from Ministry of Health and Long-Term Care operating expenditure.

Statement of Financial Transactions
($ Millions)

	Actual 1997-98	Actual 1998-99	Actual 1999-00	Actual 2000-01	Q2 2001-02
Revenue	52,518	55,786	62,931	64,682	64,112
Expenditure					
Programs	43,709	46,509	47,369	50,075	52,207
Restructuring and Other Charges	1,595	76	211	31	--
Total Program Expenditure	45,304	46,585	47,580	50,106	52,207
Capital	2,451	2,187	4,832	2,079	1,949
Public Debt Interest					
Provincial	8,729	9,016	8,977	8,896	8,736
Electricity Sector	--	--	520	520	520
Total Expenditure	56,484	57,788	61,909	61,601	63,412
Less: Reserve	--	--	--	--	700
Add: Decrease/(Increase) in Stranded Debt from Electricity Sector Restructuring to be Recovered from Ratepayers*	--	--	(354)	244	140
SURPLUS / (DEFICIT)	**(3,966)**	**(2,002)**	**668**	**3,325**	**140**
NET PROVINCIAL DEBT†	**112,735**	**114,737**	**113,715**	**110,634**	**110,634**

* Reflects the estimated excess of revenue over expenditure of the Ontario Electricity Financial Corporation (OEFC). Consistent with the principles of electricity restructuring, OEFC debt is to be recovered from ratepayers, not taxpayers.
† Net Provincial Debt represents total Liabilities less Financial Assets.

Selected Economic and Fiscal Statistics

	Actual 1997-98	Actual 1998-99	Actual 1999-00	Actual 2000-01	Q2 2001-02
Gross Domestic Product (GDP) at Market Prices ($ Millions)	359,953	378,124	405,625	429,530	446,282
Ontario Population (000s) - July 1	11,249	11,387	11,523	11,685	11,874
Ontario Revenue as a per cent of GDP	14.6	14.8	15.5	15.1	14.4
Ontario Revenue Growth (%)	6.2	6.2	12.8	2.8	(0.9)
Ontario Total Expenditure as a per cent of GDP	15.7	15.3	15.3	14.3	14.2
Ontario Total Expenditure Growth (%)	0.2	2.3	7.1	(0.5)	2.9
Ontario PDI as a Share of Revenue (%)	16.6	16.2	15.1	14.6	14.4
Ontario PDI as a Share of Total Expenditure (%)	15.5	15.6	15.3	15.3	14.6
Ontario PDI as a per cent of GDP	2.4	2.4	2.3	2.2	2.1
Ontario Surplus / (Deficit) as a per cent of GDP	(1.1)	(0.5)	0.2	0.8	0.0
Net Provincial Debt per capita ($)	10,022	10,076	9,869	9,468	9,317
Net Provincial Debt as a per cent of GDP	31.3	30.3	28.0	25.8	24.8

Sources: Ontario Ministry of Finance and Statistics Canada.

ONTARIO GDP RISES IN SECOND QUARTER (APRIL-JUNE)

- Ontario real GDP rose at an annualized pace of 2.3 per cent in the second quarter, following a slight 0.6 per cent decline in the first quarter.
- For the year 2000, real GDP growth was 5.3 per cent.

JOB GROWTH MODERATES IN 2001

- Ontario employment is up 106,300 over the first 10 months compared to the same period in 2000.
- The moderate job creation in 2001 follows solid gains of 184,000 in 2000 and 198,000 in 1999.
- Ontario's unemployment rate was 6.6 per cent in October.

CONSUMER SPENDING RISING IN 2001

- Over the first eight months of 2001, Ontario retail sales are up 3.5 per cent from a year ago.

HOUSING MARKET REMAINS STRONG

- Over the first nine months of 2001, housing starts in Ontario rose 3.6 per cent from the previous year.
- Ontario home resales are up 7.2 per cent over the first nine months of 2001, compared to a year ago.

EXPORTS DECLINE WITH SLOWER U.S. ECONOMY

- Over the first eight months of 2001, Ontario merchandise exports fell 2.8 per cent from a year ago, largely as the result of reduced auto exports to the United States.
- Ontario manufacturing shipments fell 4.2 per cent during the first eight months of 2001, following a 6.2 per cent rise for the year 2000.

RISING ENERGY AND FOOD PRICES PUSH UP 2001 INFLATION RATE

- September Consumer Price Index inflation was 3.1 per cent, down from the recent high of 4.3 per cent in April 2001.
- Higher energy prices pushed up consumer price inflation in 2000 and 2001. Declining oil and gas prices are now translating into lower rates of inflation.

KEY ECONOMIC INDICATORS
(% Change from previous period, unless indicated otherwise)

		Annual	Annual	Quarterly				
		1999	2000	00:2	00:3	00:4	01:1	01:2
Output (Seasonally Adjusted at Annual Rates)								
Real GDP	Ontario	7.4	5.3	2.2	5.1	3.5	(0.6)	2.3
Nominal GDP	Ontario	7.3	5.9	6.5	5.0	(0.8)	4.4	5.0

		Annual	Annual	Monthly 2001				
		1999	2000	June	July	Aug	Sept	Oct
Other Indicators (Seasonally Adjusted)								
Labour Markets								
Labour Force (Change in 000s)	Ontario	157	157	(5.0)	17.9	14.6	(10.6)	(3.0)
Employment (Change in 000s)	Ontario	198	184	(8.3)	(7.2)	(1.5)	(8.9)	(2.9)
Unemployment Rate (%)	Ontario	6.3	5.7	6.0	6.3	6.6	6.6	6.6
Household Sector								
Retail Sales	Ontario	7.3	7.3	(0.8)	(0.1)	0.7	N/A	N/A
Urban Housing Starts (000s)	Ontario	62.9	67.4	81.5	58.2	80.0	64.6	N/A
New Home Sales*	Toronto	29.4	13.3	10.3	11.3	14.1	(28.4)	N/A
MLS Home Resales*	Ontario	7.4	(1.1)	12.1	15.2	10.1	2.0	N/A
Manufacturing Shipments	Ontario	13.3	6.2	(4.0)	(0.5)	0.5	N/A	N/A
Transportation Equipment	Ontario	23.3	0.7	(5.5)	(1.2)	0.7	N/A	N/A
Consumer Price Index*	Ontario	1.9	2.9	3.5	3.1	3.4	3.1	N/A

Sources: Statistics Canada, Ontario Ministry of Finance, Canada Mortgage and Housing Corporation, Greater Toronto Home Builders' Association, and Canadian Real Estate Association.

* % change from a year earlier
N/A = Data not available

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ONTARIO FINANCES
FINANCIAL TABLES

REVENUE

($ Millions)	Actual 2000-01	2001-02 Budget Plan	2001-02 Current Outlook	2001-02 In-Year Change
TAXATION REVENUE				
Personal Income Tax	18,624	18,010	18,260	250
Retail Sales Tax	13,735	14,340	14,290	(50)
Corporations Tax	9,200	8,340	7,940	(400)
Employer Health Tax	3,424	3,620	3,620	–
Gasoline Tax	2,172	2,300	2,300	–
Fuel Tax	648	655	655	–
Tobacco Tax	504	620	660	40
Land Transfer Tax	642	670	670	–
Other Taxation	333	265	265	–
	49,282	**48,820**	**48,660**	**(160)**
GOVERNMENT OF CANADA				
Canada Health and Social Transfer (CHST)	4,138	5,630	5,630	–
CHST Supplements	757	380	380	–
Social Housing	541	530	530	–
Student Assistance	40	64	64	–
Indian Welfare Services	131	117	117	–
Medical Equipment Trust	190	190	190	–
Bilingualism Development	64	64	64	–
Employability Assistance for People with Disabilities	63	39	39	–
Other	205	345	345	–
	6,129	**7,359**	**7,359**	**–**
INCOME FROM GOVERNMENT ENTERPRISES				
Ontario Lottery and Gaming Corporation	2,181	2,000	2,000	–
Liquor Control Board of Ontario	877	890	890	–
Ontario Power Generation Inc. and Hydro One Inc.	928	524	524	–
Other	14	10	10	–
	4,000	**3,424**	**3,424**	**–**
OTHER REVENUE				
Vehicle and Driver Registration Fees	929	925	925	–
Other Fees and Licences	660	685	685	–
Liquor Licence Revenue	525	518	518	–
Royalties	235	240	240	–
Sales and Rentals	637	300	300	–
Independent Electricity Market Operation Revenues	344	159	159	–
Local Services Realignment - Reimbursement of Expenditure	1,432	1,223	1,223	–
Miscellaneous	509	617	619	2
	5,271	**4,667**	**4,669**	**2**
TOTAL REVENUE	**64,682**	**64,270**	**64,112**	**(158)**

OPERATING EXPENDITURE

($ Millions)		2001-02		
MINISTRY	Actual 2000-01	Budget Plan	Current Outlook	In-Year Change
Agriculture, Food and Rural Affairs	401	446	446	--
One-Time and Extraordinary	233	--	--	--
Attorney General	957	979	979	--
Board of Internal Economy	116	117	117	--
Citizenship	77	78	78	--
Community and Social Services	7,620	7,756	7,756	--
Consumer and Business Services	155	168	168	--
Correctional Services	593	610	610	--
Economic Development and Trade	81	106	107	1
Education	7,961	8,471	8,471	--
Teachers' Pension Plan (TPP)	(779)	(230)	(230)	--
Energy, Science and Technology	464	284	286	2
Environment	190	215	218	3
Executive Offices	21	21	21	--
Finance - Own Account	842	773	810	37
Public Debt Interest				
Provincial	8,896	8,795	8,736	(59)
Electricity Sector	520	520	520	--
Community Reinvestment Fund	561	561	561	--
Provision for Electricity Sector	408	4	4	--
Health and Long-Term Care	21,686	23,486	23,712	226
Accelerated Health Care Commitment	498	--	--	--
Major One-Time Health Care Costs	487	190	190	--
Intergovernmental Affairs	4	5	5	--
Labour	104	113	113	--
Management Board Secretariat	214	346	346	--
Retirement Benefits	(209)	30	30	--
Contingency Fund	--	654	551	(103)
Municipal Affairs and Housing	1,792	1,214	1,214	--
Native Affairs Secretariat	16	15	15	--
Natural Resources	417	407	415	8
Northern Development and Mines	113	179	179	--
Office of Francophone Affairs	4	5	5	--
Solicitor General	907	932	944	12
Tourism, Culture and Recreation	360	392	402	10
Training, Colleges and Universities	3,219	3,365	3,365	--
Transportation	593	519	519	--
Year-End Savings	--	(200)	(200)	--
TOTAL OPERATING EXPENDITURE	**59,522**	**61,326**	**61,463**	**137**

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Medical Equipment Trust	190	190	190	--
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Agriculture, Food and Rural Affairs	401	446	446	--
One-Time and Extraordinary	233	--	--	--
Attorney General	957	979	979	--
Board of Internal Economy	116	117	117	--
Citizenship	77	78	78	--
Community and Social Services	7,620	7,756	7,756	--
Consumer and Business Services	155	168	168	--
Correctional Services	593	610	610	--
Economic Development and Trade	81	106	107	1
Education	7,961	8,471	8,471	--
Teachers' Pension Plan (TPP)	(779)	(230)	(230)	--
Energy, Science and Technology	464	284	286	2
Environment	190	215	218	3
Executive Offices	21	21	21	--
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Intergovernmental Affairs	4	5	5	--
Labour	104	113	113	--
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Retirement Benefits	(209)	30	30	--
Contingency Fund	--	654	551	(103)
Municipal Affairs and Housing	1,792	1,214	1,214	--
Native Affairs Secretariat	16	15	15	--
Natural Resources	417	407	415	8
Northern Development and Mines	113	179	179	--
Office of Francophone Affairs	4	5	5	--
Solicitor General	907	932	944	12
Tourism, Culture and Recreation	360	392	402	10
Training, Colleges and Universities	3,219	3,365	3,365	--
Transportation	593	519	519	--
Year-End Savings	--	(200)	(200)	--
TOTAL OPERATING EXPENDITURE	**59,522**	**61,326**	**61,463**	**137**

CAPITAL EXPENDITURE

($ Millions)		2001-02		
MINISTRY	Actual 2000-01	Budget Plan	Current Outlook	In-Year Change
Agriculture, Food and Rural Affairs	1	51	51	–
Attorney General	42	55	67	12
Community and Social Services	14	38	38	–
Correctional Services	95	98	98	–
Education	4	16	20	4
Energy, Science and Technology	86	76	76	–
Environment	5	13	21	8
Water Protection Fund	17	5	5	–
Finance	7	13	13	–
SuperBuild Millennium Partnerships	4	100	100	–
Contingency Fund	–	100	79	(21)
Health and Long-Term Care	182	200	200	–
Major One-Time Capital Costs	140	–	–	–
Management Board Secretariat	24	37	37	–
Municipal Affairs and Housing	–	8	8	–
Native Affairs Secretariat	5	7	7	–
Natural Resources	65	99	99	–
Northern Development and Mines	312	327	327	–
Solicitor General	4	9	10	1
Tourism, Culture and Recreation	32	68	68	–
Training, Colleges and Universities	204	51	52	1
Transportation	836	673	673	–
Year-End Savings	–	(100)	(100)	–
TOTAL CAPITAL EXPENDITURE	**2,079**	**1,944**	**1,949**	**5**

ONTARIO'S 2001-02 FINANCING PROGRAM

($ Millions)	Actual 2000-01	2001-02 Budget Plan	2001-02 Current Outlook	2001-02 Change from Budget
Surplus / (Deficit)	3,325	140	140	–
Accruals and Consolidations	(4,496)	(2,258)	(2,825)	(567)
Maturities*	(8,145)	(9,557)	(9,467)	90
Provision for Early Redemptions	(1,036)	(1,020)	(1,020)	–
Other Sources / (Uses)	(330)	–	–	–
Net Repayments from / (Loans to) Agencies	766	(42)	(42)	–
Decrease / (Increase) in Liquid Reserves	962	2,551	2,551	–
Increase / (Decrease) in Short-Term Borrowing	(113)	–	–	–
Canada Pension Plan Borrowing	611	1,130	423	(707)
Long-Term Public Borrowing	8,456	9,056	10,240	1,184
of which: Completed			7,369	
Remaining			2,871	

* Maturing debt is lower than the Budget Plan due to the Province exercising its options on extendible bonds.

♦ Long-term public borrowing undertaken in the second quarter totalled $1,537 million as follows:

	($ Millions)
Domestic Issues	1,438
Euro Medium Term Notes	99
	1,537

♦ In addition to the borrowing and redemptions shown in the table, the Province has bought back $261 million of previously issued debt, financing the purchases with similar amounts of debt issued at more favourable rates.

♦ The forecast Net Provincial Debt as of March 31, 2002, is $110.6 billion, down $0.1 billion from the 2001 Budget Plan and First Quarter Ontario Finances as a result of the downward revision to Net Provincial Debt reported in the 2000-01 Public Accounts.

CAPITAL EXPENDITURE

($ Millions)		2001-02		
MINISTRY	Actual 2000-01	Budget Plan	Current Outlook	In-Year Change
Agriculture, Food and Rural Affairs	1	51	51	--
Attorney General	42	55	67	12
Community and Social Services	14	38	38	--
Correctional Services	95	98	98	--
Education	4	16	20	4
Energy, Science and Technology	86	76	76	--
Environment	5	13	21	8
Water Protection Fund	17	5	5	--
Finance	7	13	13	--
SuperBuild Millennium Partnerships	4	100	100	--
Contingency Fund	--	100	79	(21)
Health and Long-Term Care	182	200	200	--
Major One-Time Capital Costs	140	--	--	--
Management Board Secretariat	24	37	37	--
Municipal Affairs and Housing	--	8	8	--
Native Affairs Secretariat	5	7	7	--
Natural Resources	65	99	99	--
Northern Development and Mines	312	327	327	--
Solicitor General	4	9	10	1
Tourism, Culture and Recreation	32	68	68	--
Training, Colleges and Universities	204	51	52	1
Transportation	836	673	673	--
Year-End Savings	--	(100)	(100)	--
TOTAL CAPITAL EXPENDITURE	**2,079**	**1,944**	**1,949**	**5**

ONTARIO'S 2001-02 FINANCING PROGRAM

($ Millions)	Actual 2000-01	2001-02 Budget Plan	2001-02 Current Outlook	Change from Budget
Surplus / (Deficit)	3,325	140	140	--
Accruals and Consolidations	(4,496)	(2,258)	(2,825)	(567)
Maturities*	(8,145)	(9,557)	(9,467)	90
Provision for Early Redemptions	(1,036)	(1,020)	(1,020)	--
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Ontario

Ontario Economic Outlook and Fiscal Review

The Honourable James M. Flaherty
Minister of Finance

Ontario Economic Outlook and Fiscal Review

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Minister of Finance

General inquiries regarding the *2001 Ontario Economic Outlook and Fiscal Review* should be directed to:

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Ministry of Finance Information Centre

Toll-free English inquiries	1-800-337-7222
Toll-free French inquiries	1-800-668-5821
Teletypewriter (TTY)	1-800-263-7776

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Introduction

A strong economic foundation is helping Ontario weather the current downturn in the world economy. The prospects for a return to healthy and sustainable economic growth remain solid.

Worldwide economic growth slowed considerably in the first half of 2001. The resurgence expected for the North American economy in the second half of the year was set back by the terrorist attacks of September 11.

These global forces have had an impact on Ontario. Our economy is expected to grow but at a slower rate than forecast in the 2001 Budget. On average, private-sector forecasters now expect growth of 1.1 per cent for Ontario this year and 1.3 per cent in 2002. For 2003, private-sector forecasters expect growth to accelerate to a strong pace of 4.3 per cent.

While the current economic environment is difficult, over the past six years the government has put in place policies that will help to bring a rapid resumption of strong economic growth. Cutting taxes, balancing the budget, renewing infrastructure, investing in education, removing barriers to growth, and strengthening incentives to work, invest and innovate: all of these measures are reinforcing the foundation for a healthy economy and a rising standard of living.

Since 1995, strong leadership and effective management have returned the Province to a sound financial footing. Ontario now has more fiscal flexibility to face the challenge of a period of slower economic growth. The government balanced its budget for two consecutive years in 1999-2000 and 2000-01, the first time the Province has had back-to-back surpluses in more than half a century. Last year the Province paid down its debt by $3.1 billion, the largest repayment of debt in its history. Ontario is on track to record a third balanced budget in the current fiscal year.

The first section of this document discusses the performance and status of Ontario's economy. The second section discusses Ontario's economic outlook. The third section updates the Province's fiscal outlook. The final section reviews the policy framework that has contributed to Ontario's strong economic and fiscal outlook. A statistical appendix is also included.

A: Ontario's Economic Performance

Over the last six years, the government has worked to establish a solid basis for economic growth and a high standard of living by:

- cutting taxes to create an economic environment that rewards hard work and entrepreneurship;
- investing in infrastructure, innovation and education to enhance Ontario's attractiveness for investment and job creation;
- eliminating unnecessary red tape to support business expansion; and
- implementing a sound fiscal framework through balanced budgets, responsible spending and debt reduction.

These policies have helped to make Ontario a growth leader since 1995. Vigorous and balanced economic growth since 1996 allows Ontario to face the current slowdown from a position of strength.

- Ontario's strong productivity growth provides the basis for rising living standards.
- Ontario's diversified and innovative economy provides a healthy base even as key sectors face serious challenges.
- Ontario's strong job creation record since 1995 provides confidence that the province's economic future will be equally bright. Men, women and youth have benefited, and employment has increased in all regions of the province.
- Ontario's businesses and talented, well-educated labour force have been competing successfully in world markets and Ontario will benefit as those markets grow strongly in the medium term.

SAFETY AND PROSPERITY

"We will continue taking the strong action necessary to keep Ontario safe and prosperous. The people of Ontario expect their government to do everything possible to protect their families and ensure that our economy grows and creates jobs—we will meet their expectations."

Premier Mike Harris, 2001

"By working together with our colleagues in Ontario, we will overcome the tragedy and continue to create more jobs and opportunities on both sides of the border. Our close ties and strong economic links, along with the courageous and resilient spirit of our people, will prevail over this cowardly act of hatred."

New York Governor George Pataki, 2001

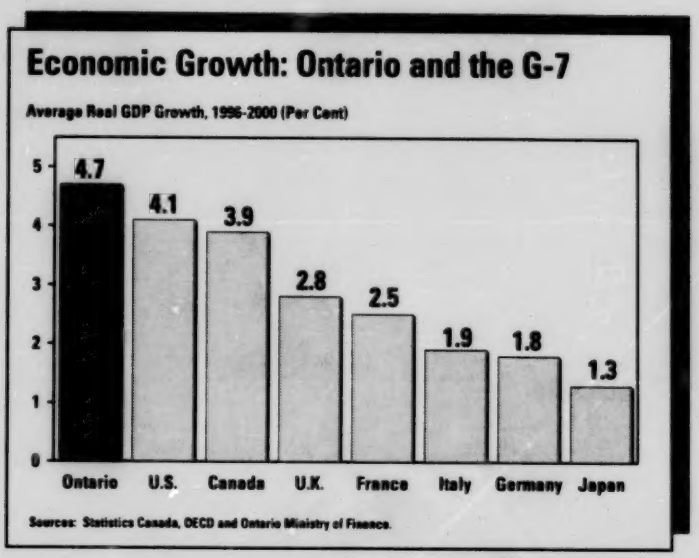
As a result of the strong growth and prudent fiscal planning since 1995, Ontario is better positioned than ever before to manage the economic impact of events such as the attacks of September 11. Following these tragic events, the government is taking further steps to protect Ontario's people and economy by:

- proposing to accelerate to October 1, 2001 the personal and corporate income tax rate cuts and the capital tax deductions originally planned for January 1, 2002, including an increase in the small business income threshold to $280,000;
- appointing Norman Inkster, retired commissioner of the RCMP, and retired Major-General Lewis MacKenzie as security advisers to the provincial government; and
- investing over $30 million in Ontario's security through anti-terrorism and emergency management measures including a rapid-response unit of the Ontario Provincial Police to combat terrorist threats and an emergency management training centre at the Ontario Fire College.

To protect Ontario's trade and economic growth potential, the government called for the harmonization of rules and customs procedures with the United States and the creation of a common North American security perimeter.

Ontario Leads Economic Growth

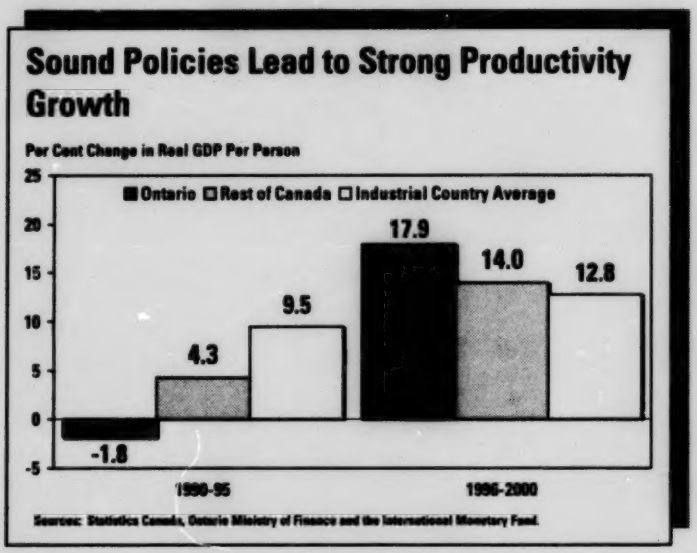
Ontario's record of strong and broadly based economic growth positions the province to successfully face the current economic challenge. Ontario's real GDP grew by 26 per cent, an average of 4.7 per cent per year, over the 1996-2000 period. This was a dramatic turnaround from the slow growth of the early 1990s. Over this period, Ontario's growth was much stronger than that of any G-7 nation and was also the fastest-growing provincial economy in Canada.



- Strong domestic demand, supported by tax cuts and job creation, has been the main engine of economic growth. Consumer spending, accounting for 43.6 per cent of Ontario growth, and business investment, accounting for 22.9 per cent of growth, have played the leading roles.
- Ontario's international and interprovincial trade performance has also been impressive. Both imports and exports have grown strongly over the last five years. Exports have increased by 43.6 per cent, while imports have grown by 42.3 per cent. Ontario's competitive export industries are well positioned to benefit from future growth in global demand.

Productivity Growth: Ontario Goes from Worst to First

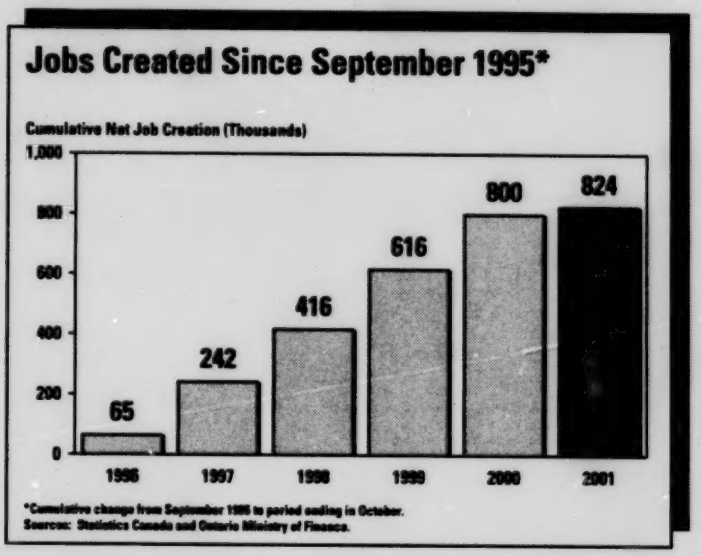
Rising productivity is the only enduring way to achieve an improving standard of living. The broadest measure of an economy's productivity is the growth in real GDP per person. Since 1996, Ontario's growth has exceeded that of the rest of Canada, the United States, and the average of the industrialized countries. This is thanks to both strong job creation and rapid growth in output per worker.



- International economic studies show that cutting taxes on personal and business income leads to significant increases in long-run productivity growth.
- Cutting income taxes invigorates an economy. It gives both entrepreneurs and employees the incentive to try harder to achieve success and earn higher incomes because they will be able to keep a larger part of what they earn. Lowering business taxes also leads to increased investment, higher productivity and higher incomes for Ontario workers.
- Productivity gains result from investment in equipment, technology and knowledge; from innovation that creates new products and new ways of working; and from agile industry that continually seeks the best opportunities. These are the hallmarks of Ontario's economy.

A Foundation of Strong and Broadly Based Job Creation

Since September 1995, the Ontario economy has generated 824,200 net new jobs. The combination of effective policies and global economic growth led to record job creation of 558,700 for the province in the three years from 1998 to 2000. In response to a significant global slowdown, Ontario job creation has moderated to 106,300 in the first 10 months of 2001, compared to the same period a year ago.

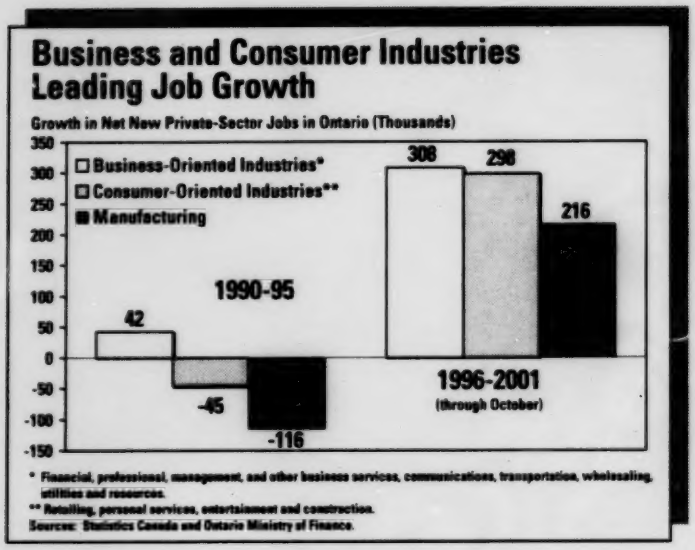


Job prospects have improved right across the economy. Men, women and youth have all benefited, and employment has increased in all regions of the province.

- Between 1998 and 2000, Ontario youth gained 113,200 net new jobs, more than in any other three-year period on record. The youth unemployment rate fell substantially, from 16.4 per cent in 1997 to 11.8 per cent in 2000. Despite the recent slowdown in the economy, youth continued to see positive job growth in the first 10 months of 2001, up by 6,700 from the same period a year ago.
- Since September 1995, employment increased in all five of Ontario's regional economies: 472,400 net new jobs in the Greater Toronto Area; 182,900 in Central Ontario; 102,800 in Eastern Ontario; 75,100 in Southwestern Ontario; and 5,000 in Northern Ontario (regional figures are seasonally adjusted, three-month moving averages).

Diversified and Resilient Economy

Ontario's diversified industrial base produces a wide range of goods and services for both domestic and foreign markets. The province's positive economic climate provides a foundation of underlying strength and competitiveness for business in Ontario.



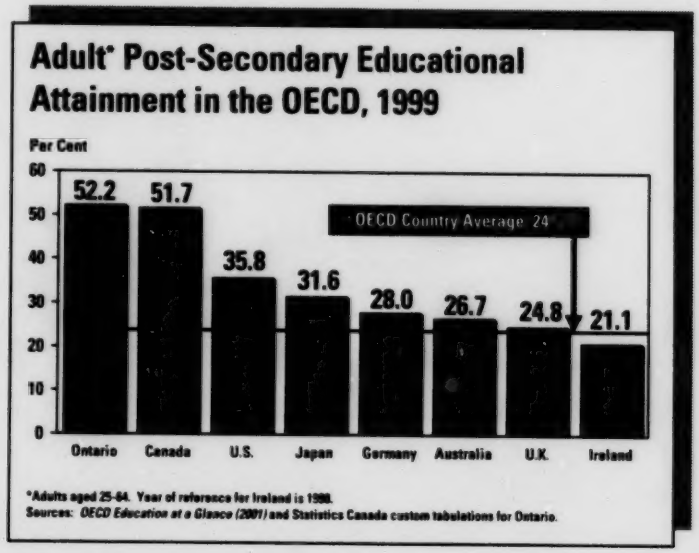
- Low interest rates and tax cuts are helping to sustain domestic spending and production, despite the setback that industries such as telecommunication equipment have experienced. Consumer-oriented industries, such as retailing and construction, have been a major source of job growth since 1995.
- Small and medium-sized enterprises (SMEs) remain confident about Ontario's economic outlook. They are benefiting greatly from Ontario's tax cuts, its pro-growth business climate and the increase in domestic spending. SMEs have accounted for more than half of Ontario's job creation since 1995.
- Through good times and bad, Ontario's manufacturing sector has continued to demonstrate its competitive edge. Since 1995, Ontario has outperformed all other jurisdictions in Canada and the United States in manufacturing job creation, with widespread gains in the automotive, electrical products, furniture and pharmaceutical industries.

Highly Educated Workforce Provides a Strong Skills Base

A skilled workforce is critical to Ontario's economic success in a constantly changing global environment.

Ontario has the highest share in the OECD of adults with completed post-secondary education, at 52 per cent. Post-secondary education includes university and college credentials, and college-based apprenticeship and training.

In university credentials alone, Ontario ranks third, behind the United States and Norway. Canada ranks fifth. In college education, apprenticeship and other training credentials, Canada and Ontario rank at the top.

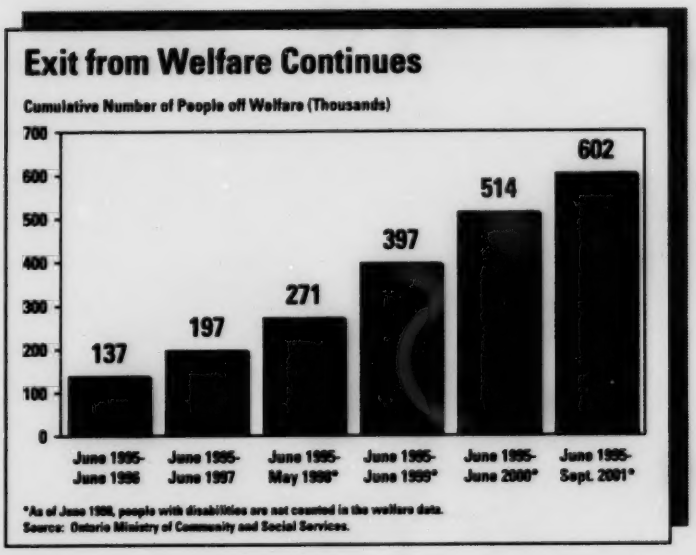


- The skills acquired by Ontario university and college graduates are being applied in the workplace. Surveys of Ontario graduates have found that six months after graduation in 1998, three-quarters of university and college graduates considered their work to be related to their program of study.

Welfare Decline Means More Self-Reliant Population

Welfare reforms have encouraged self-reliance by breaking through barriers that fostered dependence. A spirit of independence is important for promoting opportunities and economic growth.

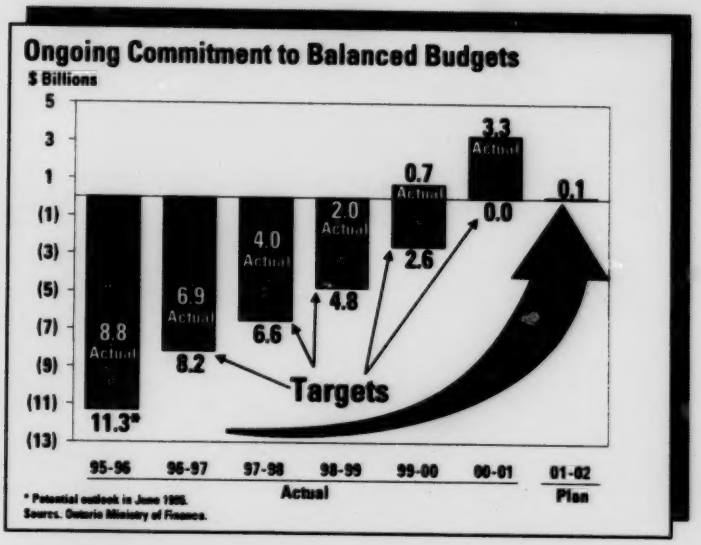
Ontario Works, the Province's mandatory work-for-welfare program, gives participants the chance to upgrade their education, get job training and gain valuable work experience. At the same time, the welfare system remains a safety net for those who truly need it.



- Welfare reforms, along with strong job growth, have driven Ontario's success in lowering welfare dependence every year since June 1995. The welfare rolls are now lower by more than 600,000 people, both adults and children.
- This success in lowering the welfare caseload since 1995 is in sharp contrast to the experience in the 1980s when it grew even as the economic boom generated jobs and reduced unemployment.

Balancing the Budget

Disciplined fiscal policy resulting in balanced budgets and debt repayment means that Ontario can confront the fiscal impact of slower economic growth in 2001 from a position of strength and flexibility.



The government's November 1995 Fiscal and Economic Statement set out a Balanced Budget Plan of declining annual deficit targets, culminating in a balanced budget in 2000-01.

- The government has overachieved its deficit and debt reduction targets in each of the past six years.
- Ontario achieved a $668 million surplus in 1999-2000, and a $3.3 billion surplus in 2000-01. Ontario remains on track to balance the budget in 2001-02.
- Net Provincial Debt was reduced by a record $3.1 billion in 2000-01, following a reduction of $1 billion in 1999-2000.
- Passage in 1999 of the *Taxpayer Protection Act* and *Balanced Budget Act* will help ensure that future fiscal responsibility is maintained.

Section C reports on Ontario's fiscal performance in the current year, 2001-02.

B: Ontario's Economic Outlook

Ontario's economy is experiencing a slowdown, reflecting weaker global growth and the negative impact of the terrorist attacks on the United States. Sound economic policies will help Ontario through these difficult circumstances and provide a solid foundation for renewed healthy economic growth.

As in previous years, the fall economic outlook reports on the average of private-sector forecasts for the Ontario economy. These provide a good framework for our Budget consultations and planning. Ontario will present its prudent set of planning assumptions when a budget is introduced next spring.

Private-Sector Forecast for Ontario Economy
(Annual Average)

	1999	2000	2001p	2002p	2003p
Real GDP Growth (per cent)	7.4	5.3	1.1	1.3	4.3
Unemployment Rate (per cent)	6.3	5.7	6.3	7.1	6.6
CPI Inflation (per cent)	1.9	2.9	3.3	2.0	2.0

p = private-sector survey average.
Sources: Statistics Canada, Ontario Ministry of Finance and Ontario Finance Survey of Forecasts (November 2001).

- Private-sector economists expect economic growth to be moderate this year and next, with real GDP rising by 1.1 per cent in 2001 and 1.3 per cent in 2002.
- Forecasters expect economic growth to climb to 4.3 per cent in 2003. A sharp reduction in interest rates, combined with cuts to personal and corporate income taxes and sound fiscal management, create a climate conducive to stronger growth.

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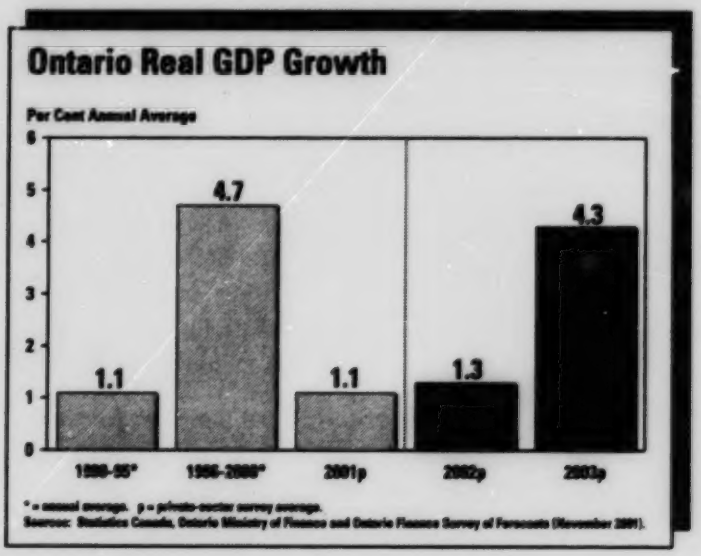
Economic Growth to Rebound

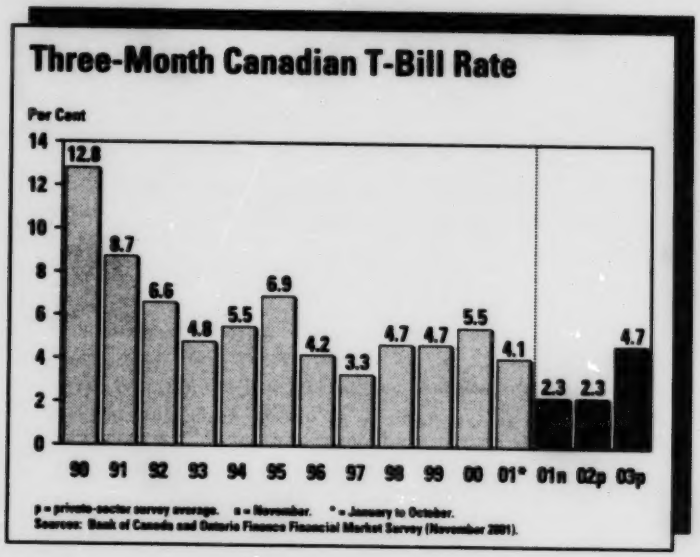
Most private-sector forecasters expect growth to rebound strongly. A number of factors are expected to boost growth by mid-2002.

- **Low interest rates will reduce operating costs for business and encourage spending on consumer durables and home construction.**
- **Tax cuts at the provincial and federal level will increase household take-home pay.**
- **U.S. economic growth is expected to strengthen, reflecting the stimulus from tax cuts and increased defence and security spending.**
- **A fall in oil and natural gas prices will free up household disposable income for other purposes and reduce business costs.**



Near-Record Low Interest Rates Will Boost Growth

Interest rates are expected to remain low throughout 2002 and 2003. Faced with evidence of slower economic growth, the U.S. Federal Reserve began to reduce interest rates early in 2001. Rates were cut further immediately after September 11. As of early November, interest rates have been lowered by 400 basis points, including a reduction of 100 basis points following the terrorist attacks. The Bank of Canada has also responded, easing interest rates by 300 basis points so far this year. Lower borrowing costs are positive for households and businesses. They encourage spending on consumer durables and housing as well as business investment and job creation.



- The Canadian three-month treasury bill rate is currently near 2.3 per cent, the lowest level in 40 years. Private-sector forecasters expect the three-month treasury bill rate to fall further. As economic growth strengthens in mid-2002, interest rates are expected to rise.

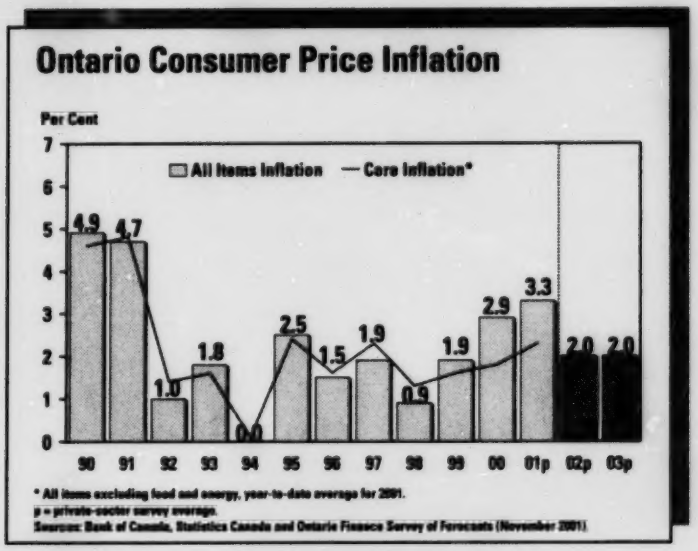
Canadian Interest Rate Outlook
(Annual per cent)

	2000	2001 Jan-Oct	2001 November	2002p	2003p
3-month treasury bill rate	5.5	4.1	2.3	2.3	4.7
10-year government bonds	5.9	5.5	4.9	5.2	5.9

p = private-sector survey average.
Sources: Bank of Canada and Ontario Finance Financial Market Survey (November 2001).

Inflation Easing

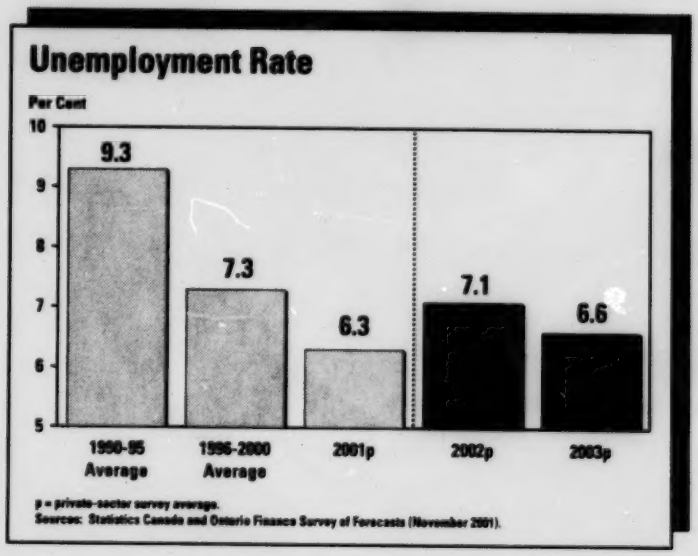
Economic forecasters expect Ontario's CPI inflation rate to drop to 2.0 per cent in 2002 and 2003. The rise in inflation to 2.9 per cent in 2000 and 3.3 per cent in 2001 has largely been the result of the past rise in energy prices. Core CPI inflation (all items excluding food and energy) remains near the mid-point of the Bank of Canada's target range of one to three per cent.



- In Ontario, the year-over-year CPI inflation rate was 3.1 per cent in September 2001. Removing the impact of energy and food prices, the CPI inflation rate would have been 2.5 per cent.
- Crude oil prices, as measured by the price of West Texas Intermediate (WTI), have fallen by a third to $22 US per barrel recently. This has contributed to a nearly 15 cents per litre reduction in Ontario's average gasoline pump price since November 2000. Private-sector forecasters expect oil prices to be around $24 US by the end of October 2002 and to remain near the mid-point of OPEC's target range of $22 US to $28 US through 2003.
- The core rate of CPI inflation has remained stable, averaging 2.3 per cent during the first nine months of 2001.
- Ontario wage settlements have remained moderate, with base wages increasing an average of 2.2 per cent in 1999, 2.5 per cent in 2000 and 3.0 per cent during the first eight months of 2001.

Near-Term Job Creation Moderates

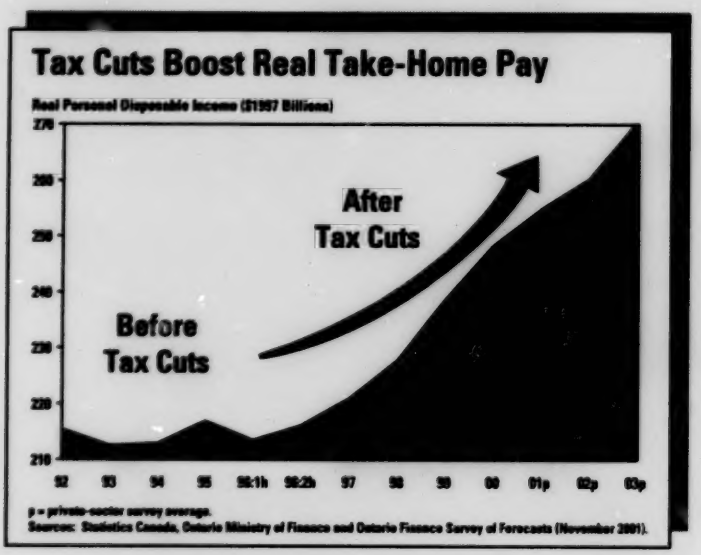
Ontario created a record 558,700 jobs during the 1998-2000 period, the strongest three-year period of job creation in the province's history. Slower economic growth globally has limited job creation in Ontario in 2001. Private-sector forecasters expect job creation to remain moderate through 2002 but to enjoy a healthy increase in 2003. Government policies supporting the incentive to work and invest have established a positive climate for strong job creation over the medium term.



- Since September 1995, the Ontario economy has generated 824,200 net new jobs, or 48.1 per cent of the total job gains in Canada.
- Recent months have seen a pause in Ontario's stellar job creation performance. Private-sector forecasters project annual job growth of up to 1.5 per cent for 2001, up to 0.9 per cent in 2002, and up to 2.7 per cent in 2003.
- Private-sector forecasters expect the unemployment rate to rise from 6.3 per cent in 2001 to 7.1 per cent in 2002, and then fall to 6.6 per cent in 2003. The unemployment rate is expected to remain well below the 1990-95 experience when it averaged 9.3 per cent.

Tax Cuts and Low Interest Rates to Bolster Consumer Spending

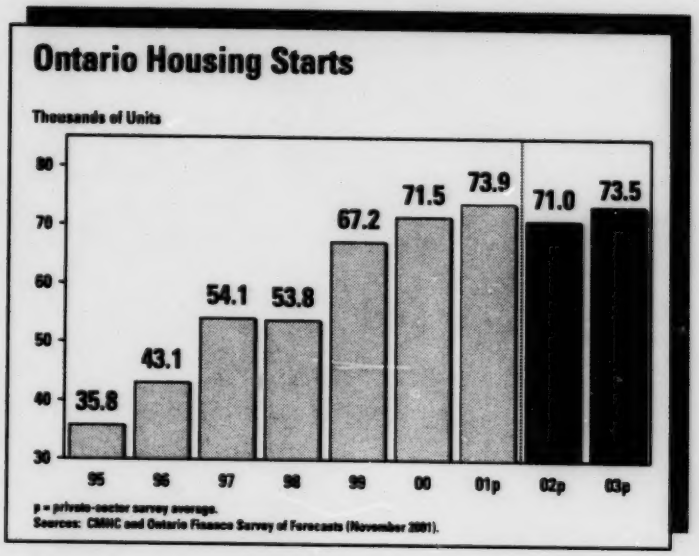
The growth of consumer spending moderated in 2001, in part reflecting a pause from the high level of auto sales in previous years. The tragedies of September 11 caused a setback to consumer confidence and spending. As the economy recovers and people feel more secure, households will become more confident and spending patterns will return to normal. Consumer spending is expected to strengthen further over the next two years, supported by continuing tax cuts, income gains and low interest rates.



- Ontario real take-home pay has risen 18.6 per cent since the provincial government began cutting taxes, much stronger than the 11.1 per cent increase seen in the rest of Canada during the same period.
- Private-sector forecasters on average expect real disposable income to rise by 2.1 per cent in 2002, after a 2.6 per cent rise in 2001. Growth in real after-tax income is expected to accelerate to 3.9 per cent in 2003 as the economy strengthens and job gains improve.
- Real consumer spending is expected to increase by 1.9 per cent in 2002, following a 1.4 per cent advance in 2001, according to private-sector forecasts. Growth in consumption is projected to pick up to 4.1 per cent in 2003, supported by stronger growth in real after-tax income.

Housing Outlook Solid

Ontario's housing market remains buoyant. Strong growth in after-tax income, a growing population and declining mortgage rates have encouraged home purchases and construction. Home resales are headed for their best year ever and housing starts are projected to reach levels not seen for more than a decade.



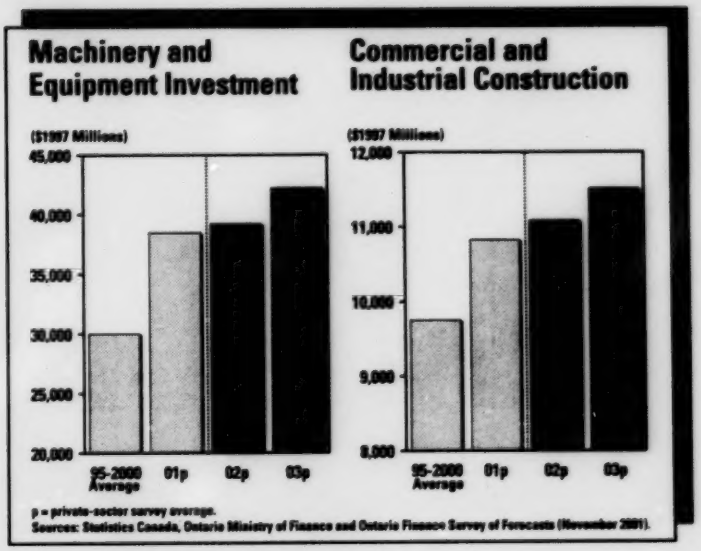
Private-sector economists expect housing starts to remain near current high levels, reaching 73,900 units this year, 71,000 in 2002 and 73,500 in 2003.

- Housing remains very affordable. Monthly carrying costs for an average-price home in Ontario are currently about $1,007, much lower than their peak of $1,489 in 1990. Housing costs as a share of average after-tax household income have fallen sharply, from a high of 35.5 per cent in 1990 to 22.3 per cent in 2000.
- Housing demand is being supported by strong population growth. Ontario accounted for more than 60 per cent of the nation's population growth last year, a gain of nearly 190,000. Ontario attracted almost 150,000 immigrants during the past year, a record high.
- Mortgage rates are low and are expected to fall further. Five-year mortgage rates in early November were posted at 6.9 per cent, well below the recent peak of 8.75 per cent in May 2000.

- The one-year mortgage rate is now at 4.9 per cent, compared to 8.3 per cent in May 2000.
- First-time buyers of newly constructed homes have been encouraged by Ontario's Land Transfer Tax refund. Since its introduction in 1996, the rebate has helped more than 95,000 Ontarians purchase their first home.

Corporate Tax Cuts Support Investment

The government has proposed to accelerate corporate tax cuts planned for January 1, 2002. Low corporate taxes help make Ontario the best place in North America to do business, invest and create jobs.

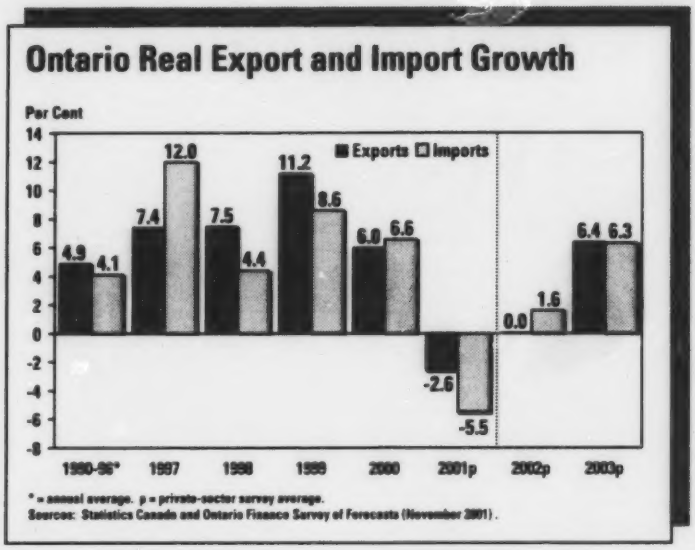


Strong investment boosts Ontario's productivity performance and enhances Ontario's competitive standing in the international economy. Because of the less certain business climate, firms are likely to be cautious in their investment spending plans in the near term. As growth accelerates through 2002 and 2003, investment spending is expected to rise sharply.

- The value of Ontario business investment in machinery and equipment almost doubled in real terms between 1995 and 2000. Real investment in commercial and industrial construction rose by about 35 per cent over the same period.
- The value of building permits issued by municipalities for total commercial, industrial and institutional construction projects rose by 6.1 per cent over the first eight months of 2001 from the corresponding period a year earlier.

Ontario Exports to Resume Growth

A return to healthy growth of the global economy will lead to rising Ontario exports. The slump in U.S. demand and the shock to the world economy from the events of September 11 have had a negative impact on Ontario's trade flows. However, Ontario's very competitive export industries are well positioned to benefit from the renewed growth in U.S. demand that tax cuts and lower interest rates will help generate.



- Ontario's import and export growth over the 1990s partly reflects the increasing integration and rising regional specialization in the North American economy. The import content of our manufactured exports has been rising with this integration. Increased integration, specialization and investment in new technologies will make Ontario industries more efficient and productive.
- The low value of the Canadian dollar has for the time-being reinforced Ontario industry's competitiveness in global markets. Over the longer term, rising productivity and reduced net indebtedness are expected to cause the Canadian dollar to strengthen.
- To achieve the healthy growth in trade that private-sector forecasters expect, it will be necessary to ensure secure and efficient customs procedures with the United States.

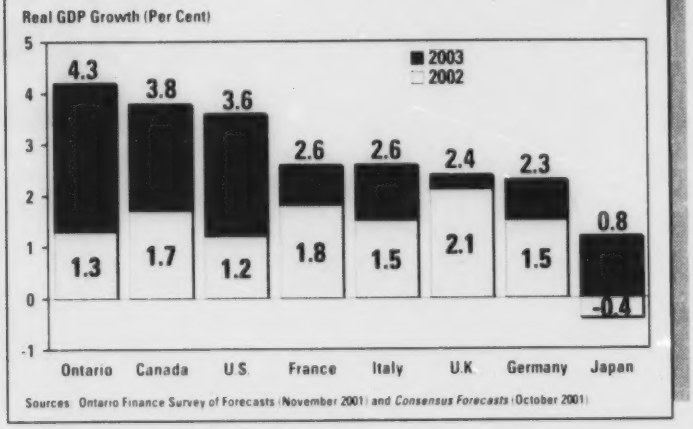
- Since 1997, net exports (exports minus imports) have accounted for less than one-third of Ontario's total economic growth. Strong net export performance has been complemented by rapidly expanding domestic demand, providing Ontario with dynamic, well-balanced economic growth. Domestic demand is expected to continue to play a major role in Ontario's economic development.
- The volume of imports is expected to decline even more than exports in 2001, leading to an improvement in Ontario's trade balance. This reflects the fact that Ontario producers held large inventories of imported components at the beginning of the year, which they are reducing. Spending on capital equipment is also being reduced, and much of that equipment is imported.

Strong Growth Resumes in 2003

Slower global economic growth and the tragedies that occurred on September 11 are having an adverse impact on the economy. However, the essential conditions for stronger growth are in place. Business taxes are being cut. Personal income taxes have been reduced. Budgets are balanced. Interest rates are low.

Private-sector economists, on average, expect Ontario real GDP growth to accelerate, from 1.3 per cent in 2002 to 4.3 per cent in 2003. In 2003, job creation will be up, incomes will be rising and investment spending will be robust.

Private-Sector Economic Outlook: Ontario and the G-7



Sources: Ontario Finance Survey of Forecasts (November 2001) and *Consensus Forecasts* (October 2001)

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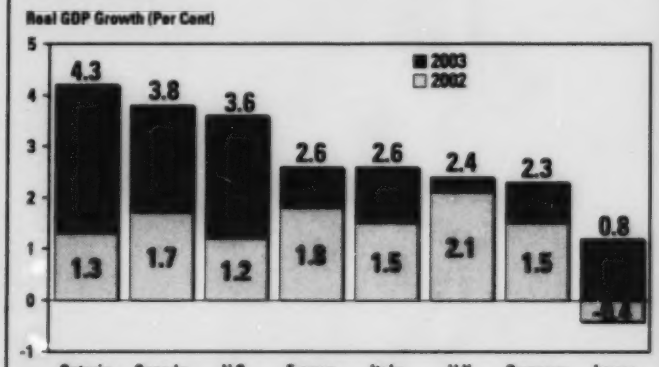


Sources: Ontario Finance Survey of Forecasts (November 2001) and *Consensus Forecasts* (October 2001).

C: Ontario's Fiscal Plan

As a result of the government's economic and fiscal policies and its prudent and cautious approach to budgeting, the Province remains on track to balance the budget in 2001-02. This will be the first time in nearly 100 years that Ontario has balanced the budget for three consecutive years.

The slowdown in the global economy has affected Ontario, and the Province is now expecting economic growth in 2001 to be slower than forecast in the 2001 Budget. While the current economic environment is difficult, the government has put in place policies that ensure solid economic growth over the medium and longer term.

The recently released 2000-01 Public Accounts reported a record $3.1 billion reduction in Net Provincial Debt in 2000-01—the largest single-year debt reduction in the Province's history. In just two years the government has achieved over 80 per cent of its commitment to reduce debt by at least $5 billion during the current term of office.

This section will:

- provide an update on the Province's 2001-02 fiscal outlook, based on results for the second quarter ending September 30;
- outline the government's plan to improve public-sector accountability;
- report on Ontario's recent fiscal performance; and
- review Ontario's borrowing and debt management.

2001-02 Fiscal Outlook: Second-Quarter Update

On Track for Third Consecutive Balanced Budget

In 2001-02 Ontario's budget is expected to be balanced for the third consecutive year—the first time in nearly a century.

2001-02 Fiscal Performance
($ Millions)

	Budget Plan	Current Outlook*	In-Year Change
Revenue	64,270	64,112	(158)
Expenditure			
Programs	52,011	52,207	196
Restructuring and Other Charges	-	-	-
Total Program Expenditure	52,011	52,207	196
Capital	1,944	1,949	5
Public Debt Interest			
Provincial	8,795	8,736	(59)
Electricity Sector	520	520	-
Total Expenditure	63,270	63,412	142
Less: Reserve	1,000	700	(300)
Add: Decrease/(Increase) in Stranded Debt from Electricity Sector Restructuring to be Recovered from Ratepayers**	140	140	-
Surplus / (Deficit)	**140**	**140**	-

* Second-quarter results as at September 30, 2001.

** Reflects the estimated excess of revenue over expenditure of the Ontario Electricity Financial Corporation (OEFC). Consistent with the principles of electricity restructuring, OEFC debt is to be recovered from ratepayers, not taxpayers.

Source: Ontario Ministry of Finance.

- Ontario's 2001-02 Budget Plan included a $1 billion reserve designed to protect the balanced budget against unexpected and adverse changes in the economic and fiscal outlook.
- With economic growth slower than projected and consistent with the role of the reserve in prudent budgeting, $300 million of the reserve has been allocated to ensure the balanced budget target is met. The $700 million balance of the reserve will be available for debt reduction at year end if not needed.

In-Year Revenue Changes

Total revenue in 2001-02 is forecast at $64,112 million, $158 million below the Budget Plan and First Quarter Ontario Finances outlook.

2001-02 In-Year Changes to Revenue Since Budget
($ Millions)

Changes This Quarter:		
Taxation Revenue		
Personal Income Tax	250	
Corporations Tax	(400)	
Retail Sales Tax	(50)	
Tobacco Tax	40	
Total Taxation Revenue		(160)
Other Revenue		2
Total In-Year Revenue Changes Since Budget		**(158)**

Source: Ontario Ministry of Finance.

- The government's cautious and prudent approach towards forecasting revenues has resulted in Ontario revenues being largely on track with the 2001 Budget outlook despite the lower consensus projection for economic growth.
- The forecast for Personal Income Tax (PIT) revenue has increased by $250 million from the Budget projection primarily due to higher 2000 PIT assessments than expected at the time of the 2000-01 Public Accounts.
- The PIT increase is partially offset by the impact of slower wages and salaries growth in 2001, lower expected capital gains income arising from the decline in stock prices this year and the benefits to taxpayers of accelerating tax cuts originally planned for January 1, 2002.
- The Corporations Tax revenue forecast has been lowered by $400 million due to lower expected profit levels this year and the acceleration of the corporate income tax cuts originally scheduled for January 1, 2002.
- The Retail Sales Tax revenue forecast has been reduced by $50 million as a result of lower consumer and tourist spending expected in the wake of the tragic events of September 11 in the United States.

- The Tobacco Tax revenue forecast has increased by $40 million as a result of the tax increase announced by the federal government which, under Ontario legislation, automatically increases Ontario Tobacco Tax by an equivalent amount.
- Miscellaneous Other Revenue is up $2 million due to an increase in revenue for expanded OPP policing of Highway 407 and policing services provided by the OPP for the towns of Collingwood, New Tecumseth, Orillia and Penetanguishene.

In-Year Operating Expenditure Changes

Operating expenditure for 2001-02, at $61,463 million, is up $137 million from the Budget Plan and First Quarter Ontario Finances outlook. Increased funding for hospitals across the province and one-time payments to low- and middle-income working families with young children were partially offset by one-time underspending and lower public debt interest costs.

Summary of 2001-02 In-Year Operating Expenditure Changes Since Budget ($ Millions)

Changes This Quarter:		
Hospitals—Increased Funding	300	
Less: Offsets	(162)	
Net Change		138
One-Time Payments to Low- and Middle-Income Working Families with Young Children		37
Tourism Marketing Strategy		10
Counterterrorism and Emergency Management Strategies		10
PDI—Savings		(59)
Other (Net)		1
Total In-Year Operating Expenditure Changes		**137**

Source: Ontario Ministry of Finance.

- Funding for hospitals across the province has increased by $300 million in-year to better address the changing and rising costs of caring for patients. This increase is partially offset by $73 million in one-time underspending and ongoing administrative efficiencies in the Ministry of Health and Long-Term Care and $89 million from the Contingency Fund.
- An additional $37 million has been provided in-year for one-time payments to low- and middle-income working families with children under the age of seven.
- An additional $10 million has been provided in-year to launch an enhanced tourism marketing campaign.
- Expenditures increased $10 million in-year to fund the Province's counterterrorism and emergency management strategies.
- Public Debt Interest costs are down $59 million due to lower-than-expected interest rates and cost-effective debt management.

In-Year Capital Expenditure Changes

The capital expenditure outlook for 2001-02, at $1,949 million, is up $5 million from the Budget Plan and First Quarter Ontario Finances outlook.

Summary of 2001-02 In-Year Capital Expenditure Changes Since Budget ($ Millions)

Changes This Quarter:	
Victims' Justice Action Plan	3
Grants to Universities—to increase capacity at medical schools	1
Anti-Terrorism and Emergency Management Training Facilities	1
Total In-Year Capital Expenditure Changes	**5**

Source: Ontario Ministry of Finance.

- Capital expenditure has increased $3 million in-year due to a transfer from operating expenditure to capital for the Victims' Justice Action Plan.
- An in-year increase of $1 million in the Ministry of Training, Colleges and Universities is due to capital expenditure related to increased medical student enrolment, transferred from Ministry of Health and Long-Term Care operating expenditure.
- An additional $1 million has been provided in-year towards the building of an anti-terrorism training facility at the Ontario Police College and an emergency management training centre for first responders at the Ontario Fire College.

Accountability: Progress through Performance

"Accountability does not end when the books are balanced. True accountability goes far beyond the numbers."

Ontario Budget, 2001

Accountability is not a new concept. This government initiated the process of improving accountability practices in 1995 by establishing the Ontario Financial Review Commission (OFRC), which made recommendations on the Province's accounting, reporting and financial management practices.

Some of the accountability measures undertaken by the government since 1995 include:

- introduction of annual ministry business plans that outline the core activities of the ministry, set performance goals each year and report on the results;
- adoption of Public Sector Accounting Board recommendations in the preparation of the Budget, Quarterly Finances and Financial Statements of the Province;
- introduction of Management Board of Cabinet Directives on Accountability (1997) and Transfer Payment Accountability (1998); and
- passage of the *Taxpayer Protection Act, 1999* and *Balanced Budget Act, 1999*.

These measures have dramatically improved accountability to the citizens of Ontario. However, this government is committed to continuous improvement in accountability practices and as part of that process, the government reconvened the OFRC in 2000. At that time the OFRC made recommendations on the financial management, decision-making and reporting practices of the government's key transfer partners in the broader public sector.

Some of the measures the government will undertake to raise the bar on accountability include:

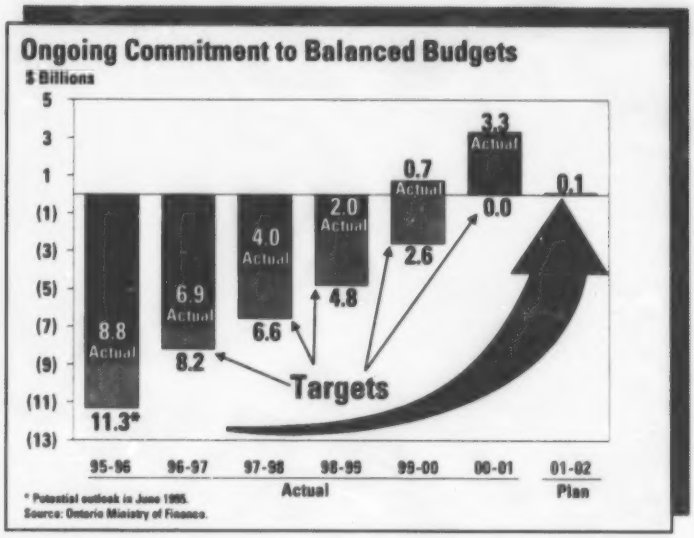
- bringing forth amendments to the *Audit Act, 1990* to empower the Provincial Auditor to ensure that institutions funded by Ontario taxpayers use that money prudently and effectively;
- implementing program evaluation that will incorporate the principle of zero-based budgeting as part of the annual business planning process; and
- supporting initiatives in major sectors, such as independently produced report cards for hospitals and the proposed new Municipal Act.

The government will continue to strive to make its operations more efficient and accountable. As more than 80 per cent of the Province's program and capital spending is in the form of transfer payments to organizations and individuals, the government will continue to work with the broader public sector to achieve our common goals as a society. The ultimate success of our efforts will depend on the willingness of all parties to work towards improved accountability to the citizens of Ontario.

Ontario's Fiscal Performance

Balanced Budgets

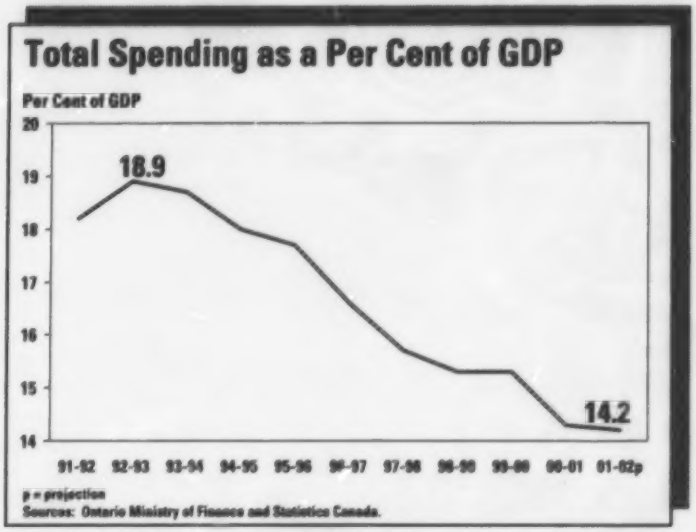
Through prudent and cautious fiscal planning, 2001-02 is expected to be the seventh consecutive year in which the government's deficit and debt reduction targets are met or overachieved.



- As of September 30, the second-quarter outlook for 2001-02 is a $140 million surplus, on track with the Budget Plan.
- The recently released 2000-01 Public Accounts reported the 2000-01 surplus at $3,325 million, overachieving the cautious 2000 Budget Plan of a balanced budget.

Total Spending as a Share of the Economy

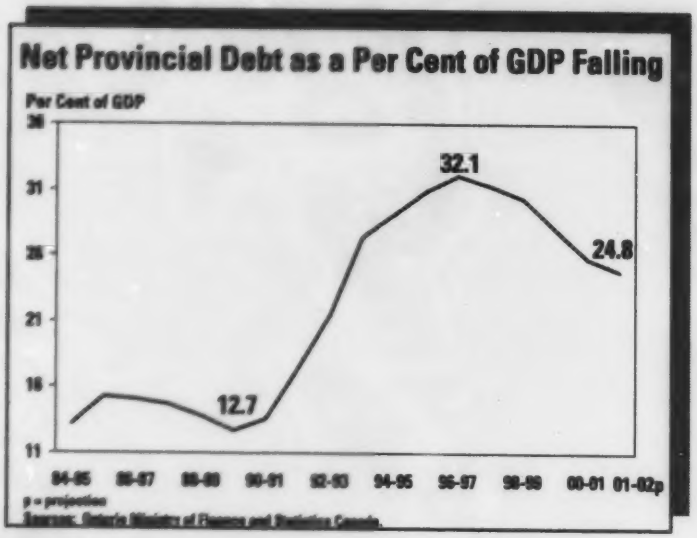
The government's commitment to controlling spending has allowed the Province to maintain a sound fiscal framework even in these times of economic uncertainty.



- In 2001-02, total spending as a share of the economy is estimated at 14.2 per cent, down from a peak of 18.9 per cent in 1992-93.
- At 14.2 per cent, total spending as a share of Ontario's Gross Domestic Product is at its lowest level since the early 1980s.

Net Provincial Debt as a Per Cent of GDP Falling

With four consecutive deficits in excess of $10 billion annually, Ontario's debt rose dramatically in the early 1990s. Net Provincial Debt as a per cent of GDP more than doubled from 12.7 per cent in 1989-90 to 32.1 per cent in 1996-97.



- Strong economic growth, sound fiscal management and two consecutive years of budget surpluses have reduced Net Provincial Debt to a projected 24.8 per cent of GDP in 2001-02.
- Short-term challenges to the economy and fiscal management may affect the pace of debt reduction. However, with strong medium term growth prospects and prudent fiscal policy, Net Provincial Debt as a share of the provincial economy can be expected to decline in the years ahead.

Borrowing and Debt Management

Market Conditions

Stability is returning to financial markets following the events of September 11, supported by aggressive interest rate cutting by central banks. However, some uncertainty persists as a result of the military strikes in Afghanistan and the threat of further attacks on the United States.

North American bond yields, especially short and medium term, have declined during the fiscal year to date. This has meant steeper interest rate yield curves in both the United States and Canada in recent months, with short-term rates falling much further than long-term rates. On October 31, 2001, the U.S. Treasury announced that it was suspending the issuance of 30-year securities, leading to a decline in long-term bond yields and a subsequent flattening of the yield curve.

The gap between Canadian and U.S. 10-year bond yields has widened significantly, approaching levels last seen in 1998. This is due to the safe-haven investor status of U.S. Treasury bonds relative to Government of Canada bonds.

After a gradual depreciation during calendar 2000, the Canadian dollar has continued to decline against the U.S. dollar during 2001. The Canadian dollar has fared better against most other major currencies.

Borrowing Program

As of September 30, 2001, long-term public market borrowing requirements are $1.2 billion higher than estimated in the 2001-02 Budget Plan. This is due to an increase of nearly $0.6 billion in accruals and consolidations and a $0.7 billion reduction in borrowing from the Canada Pension Plan (CPP), offset by a decrease in maturities of $0.1 billion.

The Province borrowed $1.5 billion during the second quarter, all in Canadian dollars, including a Euro-Canadian bond issue, a number of structured domestic Medium Term Notes (MTNs) and a new five-year benchmark domestic issue.

Almost 95 per cent of the borrowing completed during the first half of the year was raised in the Canadian dollar market. This included the sale of $4.2 billion of Ontario Savings Bonds in June.

Financial Summary

As of September 30, 2001 ($ Millions)	2001-02 Budget Plan	2001-02 Outlook
Surplus/(Deficit)	140	140
Accruals and Consolidations	(2,258)	(2,825)
Maturities*	(9,557)	(9,467)
Provision for Early Redemptions	(1,020)	(1,020)
Other Sources/(Uses)	-	-
Net Repayment from/(Loans to) Agencies	(42)	(42)
Decrease/(Increase) in Liquid Reserves	2,551	2,551
Increase/(Decrease) in Short-term Borrowing	-	-
Canada Pension Plan Borrowing	1,130	423
Long-Term Public Borrowing	**9,056**	**10,240**
of which: Completed		7,369
Remaining		2,871

* Maturing debt is lower than the Budget Plan due to the Province exercising its options on extendible bonds.

As of November 6, 2001, the Ontario Financing Authority (OFA) has completed $8.0 billion of the Province's planned 2001-02 long-term public borrowing of $10.2 billion. Since September 30, 2001, the Province has raised $0.4 billion from a reopening of a U.S. dollar Global issue and $0.2 billion from five domestic MTNs.

In addition to the borrowing and redemptions shown in the Financial Summary table, the Province bought back $261 million of previously issued debt, financing the purchases with similar amounts of debt issued at more favourable rates.

The Province plans to raise an additional $2.2 billion in long-term public borrowing this fiscal year.

Debt Management

As of September 30, 2001, foreign exchange exposure was 1.8 per cent of outstanding debt. Interest rate resetting exposure (net of liquid reserves) was 10.0 per cent of outstanding debt.

The Province maintains a flexible financing approach in managing high levels of debt maturities. The Province will continue to seek the most cost-effective borrowing opportunities and a maturity profile that recognizes the limit on interest rate resetting exposure.

Ontario Electricity Financial Corporation

As of September 30, 2001, the borrowing requirements for the Ontario Electricity Financial Corporation (OEFC) were estimated at $3.4 billion for 2001-02, down from the $3.6 billion forecast in the Budget Plan.

As of November 6, 2001, the OEFC had completed $1.8 billion of its planned long-term borrowing.

Conclusion

As a result of Ontario's prudent budgeting practices, the Province remains on track to achieve a third consecutive balanced budget for the first time in nearly 100 years. With economic growth slower than projected and consistent with the role of the reserve in prudent budgeting, a portion of the reserve has been allocated at second quarter to ensure a balanced budget for 2001-02.

The government remains committed to balancing the budget on an ongoing basis. The government's fiscal and economic policies have restored the Province to a sound financial footing and created a solid foundation for economic growth over the medium and longer term.

LIST OF FINANCIAL TABLES AND GRAPHS

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Operating Expenditure	C3
Capital Expenditure	C4
Ten-Year Review of Selected Financial and Economic Statistics	C5

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The Budget Dollar: Revenue 2001-02

The Budget Dollar: Total Expenditure 2001-02

The Budget Dollar: Program Expenditure 2001-02

Revenue Sources by Category, Per Cent of Total 1997-98 to 2001-02

Operating Expenditure by Category, Per Cent of Total 1997-98 to 2001-02

Program Expenditure by Category, Per Cent of Total 1997-98 to 2001-02

Capital Expenditure by Category, Per Cent of Total 1997-98 to 2001-02

2001-02 Operating Expenditure by Category

2001-02 Capital Expenditure by Category

Statement of Financial Transactions
($ Millions)

Table C1

	Actual 1997-98	Actual 1998-99	Actual 1999-00	Actual 2000-01	Outlook* 2001-02
Revenue	52,518	55,786	62,931	64,682	64,112
Expenditure					
Programs	43,709	46,509	47,369	50,075	52,207
Restructuring and Other Charges	1,595	76	211	31	-
Total Program Expenditure	45,304	46,585	47,580	50,106	52,207
Capital	2,451	2,187	4,832	2,079	1,949
Public Debt Interest					
Provincial	8,729	9,016	8,977	8,896	8,736
Electricity Sector	-	-	520	520	520
Total Expenditure	56,484	57,788	61,909	61,601	63,412
Less: Reserve	-	-	-	-	700
Add: Decrease/(Increase) in Stranded Debt from Electricity Sector Restructuring to be Recovered from Ratepayers**	-	-	(354)	244	140
Surplus / (Deficit)	**(3,966)**	**(2,002)**	**668**	**3,325**	**140**
Net Provincial Debt†	**112,735**	**114,737**	**113,715**	**110,634**	**110,634**

* Second-quarter outlook as at September 30.

** Reflects the estimated excess of revenue over expenditure of the Ontario Electricity Financial Corporation (OEFC). Consistent with the principles of electricity restructuring, OEFC debt is to be recovered from ratepayers, not taxpayers.

† Net Provincial Debt represents total Liabilities less Financial Assets.

Revenue
($ Millions)

Table C2

	Actual 1997-98	Actual 1998-99	Actual 1999-00	Actual 2000-01	Outlook 2001-02
Taxation Revenue					
Personal Income Tax	16,293	17,190	17,617	18,624	18,260
Retail Sales Tax	10,843	11,651	12,879	13,735	14,290
Corporations Tax	7,456	7,447	8,095	9,200	7,940
Employer Health Tax	2,851	2,882	3,118	3,424	3,620
Gasoline Tax	2,028	2,068	2,154	2,172	2,300
Fuel Tax	563	592	665	648	655
Tobacco Tax	425	447	481	504	660
Land Transfer Tax	565	470	565	642	670
Other Taxation	245	330	307	333	265
	41,269	**43,077**	**45,881**	**49,282**	**48,660**
Government of Canada					
Canada Health and Social Transfer (CHST)	3,970	3,553	3,967	4,138	5,630
CHST Supplements	-	-	755	757	380
Social Housing	387	358	466	541	530
Student Assistance	18	64	170	40	64
Medical Equipment Trust	-	-	-	190	190
Indian Welfare Services	87	155	85	131	117
Bilingualism Development	49	55	65	64	64
Employability Assistance for People with Disabilities	53	71	65	63	39
Other	534	259	312	205	345
	5,098	**4,515**	**5,885**	**6,129**	**7,359**
Income from Government Enterprises					
Ontario Lottery and Gaming Corporation	1,485	1,764	1,924	2,181	2,000
Liquor Control Board of Ontario	745	809	845	877	890
Ontario Power Generation Inc. and Hydro One Inc.	-	-	903	928	524
Other	61	(26)	36	14	10
	2,291	**2,547**	**3,708**	**4,000**	**3,424**
Other Revenue					
Vehicle and Driver Registration Fees	820	890	911	929	925
Other Fees and Licences	548	661	667	660	685
Liquor Licence Revenue	506	519	539	525	518
Royalties	286	289	345	235	240
Sales and Rentals	582	640	2,133	637	300
Independent Electricity Market Operation Revenues	-	-	314	344	159
Local Services Realignment—Reimbursement of Expenditure	519	2,109	1,678	1,432	1,223
Miscellaneous	599	539	870	509	619
	3,860	**5,647**	**7,457**	**5,271**	**4,669**
Total Revenue	**52,518**	**55,786**	**62,931**	**64,682**	**64,112**

Operating Expenditure
($ Millions)

Table C3

Ministry	Actual 1997-98	Actual 1998-99	Actual 1999-00	Actual 2000-01	Outlook 2001-02
Agriculture, Food and Rural Affairs	306	309	347	401	446
One-Time and Extraordinary	-	-	-	233	-
Farm Tax Rebate	158	-	-	-	-
Attorney General	683	753	846	957	979
Board of Internal Economy	113	117	154	116	117
Citizenship	73	82	95	77	78
Community and Social Services	8,067	7,659	7,512	7,620	7,756
Consumer and Business Services	92	136	134	155	168
Correctional Services	531	540	563	593	610
Economic Development and Trade	138	87	92	81	107
Education	4,715	7,719	7,704	7,961	8,471
School Board Transition/Phase-in Funding	224	-	268	-	-
Teachers' Pension Plan (TPP)	1,443	67	(363)	(779)	(230)
Energy, Science and Technology	69	83	429	464	286
Environment	142	162	174	190	218
Executive Offices	14	17	19	21	21
Finance—Own Account	691	998	548	842	810
Public Debt Interest					
Provincial	8,729	9,016	8,977	8,896	8,736
Electricity Sector	-	-	520	520	520
Community Reinvestment Fund	169	678	521	561	561
Provision for Electricity Sector	-	-	383	408	4
Health and Long-Term Care	18,283	18,867	20,373	21,686	23,712
Accelerated Health Care Commitment	-	-	-	498	-
Health Care Restructuring	532	50	-	-	-
Major One-Time Health Care Costs	113	639	286	487	190
Intergovernmental Affairs	5	4	4	4	5
Labour	117	108	101	104	113
Management Board Secretariat	359	353	147	214	346
Retirement Benefits	(86)	(219)	(165)	(209)	30
Contingency Fund	-	-	-	-	551
OPS Employee Severance (Net)	(159)	-	88	-	-
Special Circumstances Fund	-	180	-	-	-
Municipal Affairs and Housing	2,395	1,611	1,665	1,792	1,214
Municipal Capital and Operating Restructuring Fund	23	-	-	-	-
Municipal Restructuring Fund	71	-	-	-	-
Native Affairs Secretariat	12	12	15	16	15
Natural Resources	463	531	460	417	415
Northern Development and Mines	62	82	122	113	179
Office of Francophone Affairs	2	3	3	4	5
Solicitor General	646	756	816	907	944
Tourism, Culture and Recreation	205	286	367	360	402
Training, Colleges and Universities	3,052	3,281	3,285	3,219	3,365
Transportation	702	607	587	593	519
Restructuring	50	(17)	-	-	-
TTC Five Year Capital Transfer/Ottawa-Carleton Regional Transit Commission Transit Bus Subsidy Agreement	829	44	-	-	-
Year-End Savings	-	-	-	-	(200)
Total Operating Expenditure	**54,033**	**55,601**	**57,077**	**59,522**	**61,463**

Capital Expenditure
($ Millions)

Table C4

Ministry	Actual 1997-98	Actual 1998-99	Actual 1999-00	Actual 2000-01	Outlook 2001-02
Agriculture, Food and Rural Affairs	1	1	1	1	51
Attorney General	47	73	62	42	67
Community and Social Services	31	27	20	14	38
Correctional Services	5	30	124	95	98
Education	267	229	52	4	20
Energy, Science and Technology	-	273	656	86	76
Environment	98	19	1	5	21
Water Protection Fund	-	15	160	17	5
Finance	6	4	7	7	13
SuperBuild Millennium Partnerships	-	-	-	4	100
Contingency Fund	-	-	-	-	79
Health and Long-Term Care	106	187	338	182	200
Major One-Time Capital Costs	-	-	1,004	140	-
Management Board Secretariat	80	39	13	24	37
Municipal Affairs and Housing	152	62	(10)	-	8
Native Affairs Secretariat	14	13	7	5	7
Natural Resources	151	73	96	65	99
Northern Development and Mines	173	177	212	312	327
Solicitor General	7	-	-	4	10
Tourism, Culture and Recreation	3	2	231	32	68
Training, Colleges and Universities	117	71	1,028	204	52
Transportation	1,193	892	830	836	673
Year-End Savings	-	-	-	-	(100)
Total Capital Expenditure	**2,451**	**2,187**	**4,832**	**2,079**	**1,949**

Ten-Year Review of Selected Financial and Economic Statistics
($ Millions)

	Modified Cash Basis	PSAB Basis	
	1992-93	1993-94	1994-95
Financial Transactions			
Revenue	41,807	43,674	46,039
Expenditure			
Programs	45,350	44,195	44,505
Restructuring and Other Charges	-	-	-
Total Program Expenditure	45,350	44,195	44,505
Capital	3,592	3,552	3,831
Public Debt Interest			
Provincial	5,293	7,129	7,832
Electricity Sector	-	-	-
Total Expenditure	54,235	54,876	56,168
Less: Reserve	-	-	-
Add: Decrease/(Increase) in Stranded Debt from Electricity Sector Restructuring to be Recovered from Ratepayers**	-	-	-
Surplus / (Deficit)	**(12,428)**	**(11,202)**	**(10,129)**
Net Provincial Debt†	**61,796**	**80,599**	**90,728**
Gross Domestic Product (GDP) at Market Prices	287,015	293,980	311,603
Personal Income	253,778	256,092	260,628
Population—July (000s)	10,570	10,690	10,828
Net Provincial Debt per Capita (dollars)	5,846	7,540	8,379
Personal Income per Capita (dollars)	24,009	23,956	24,070
Total Expenditure as a per cent of GDP	18.9	18.7	18.0
Public Debt Interest as a per cent of Revenue‡	12.7	16.3	17.0
Net Provincial Debt as a per cent of GDP	21.5	27.4	29.1

* Second-quarter outlook as at September 30.

** Reflects the estimated excess of revenue over expenditure of the Ontario Electricity Financial Corporation (OEFC). Consistent with the principles of electricity restructuring, OEFC debt is to be recovered from ratepayers, not taxpayers.

† Net Provincial Debt represents total Liabilities less Financial Assets.

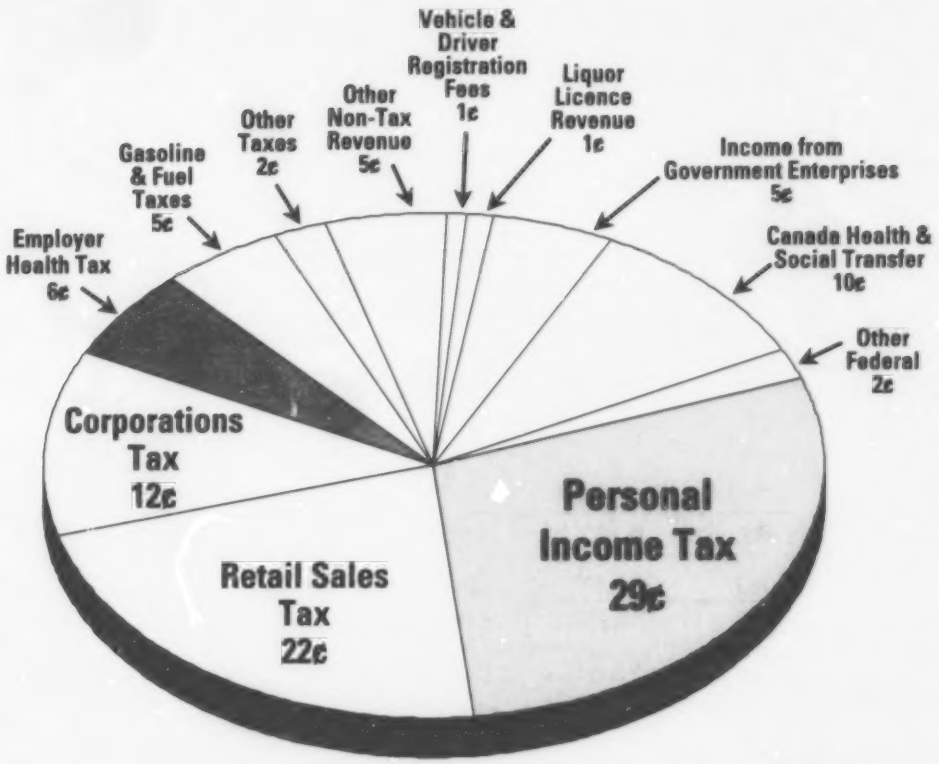
‡ Starting in 1999-2000, Public Debt Interest includes $520 million related to the Province's equity investment in the electricity sector.

Sources: Ontario Ministry of Finance and Statistics Canada.

Table C5

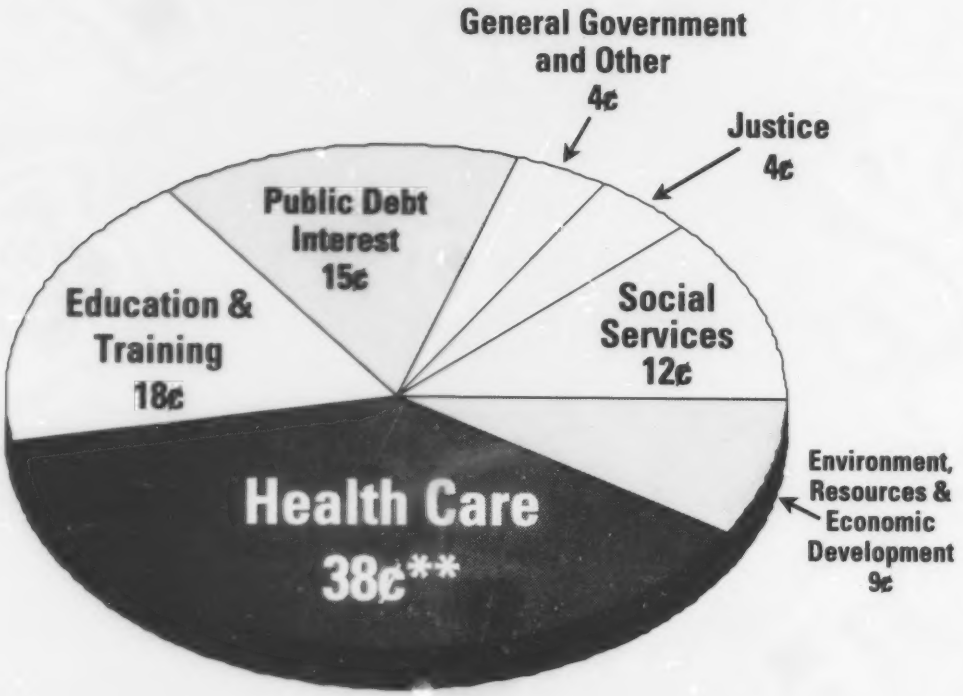
PSAB Basis						
1995-96	1996-97	1997-98	1998-99	1999-00	Actual 2000-01	Outlook* 2001-02
49,473	49,450	52,518	55,786	62,931	64,682	64,112
45,309	42,956	43,709	46,509	47,369	50,075	52,207
854	2,180	1,595	76	211	31	-
46,163	45,136	45,304	46,585	47,580	50,106	52,207
3,635	2,612	2,451	2,187	4,832	2,079	1,949
8,475	8,607	8,729	9,016	8,977	8,896	8,736
-	-	-	-	520	520	520
58,273	56,355	56,484	57,788	61,909	61,601	63,412
-	-	-	-	-	-	700
-	-	-	-	(354)	244	140
(8,800)	**(6,905)**	**(3,966)**	**(2,002)**	**668**	**3,325**	**140**
101,864	**108,769**	**112,735**	**114,737**	**113,715**	**110,634**	**110,634**
329,855	338,763	359,953	378,124	405,625	429,530	446,282
271,372	276,304	289,537	303,136	322,165	342,770	356,824
10,965	11,101	11,249	11,387	11,523	11,685	11,874
9,290	9,798	10,022	10,076	9,869	9,468	9,317
24,749	24,890	25,739	26,621	27,958	29,334	30,051
17.7	16.6	15.7	15.3	15.3	14.3	14.2
17.1	17.4	16.6	16.2	15.1	14.6	14.4
30.9	32.1	31.3	30.3	28.0	25.8	24.8

The Budget Dollar
Revenue
2001-02*


Vehicle & Driver Registration Fees 1¢
Liquor Licence Revenue 1¢
Other Non-Tax Revenue 5¢
Other Taxes 2¢
Gasoline & Fuel Taxes 5¢
Employer Health Tax 6¢
Income from Government Enterprises 5¢
Canada Health & Social Transfer 10¢
Other Federal 2¢
Corporations Tax 12¢
Personal Income Tax 29¢
Retail Sales Tax 22¢

* As of September 30

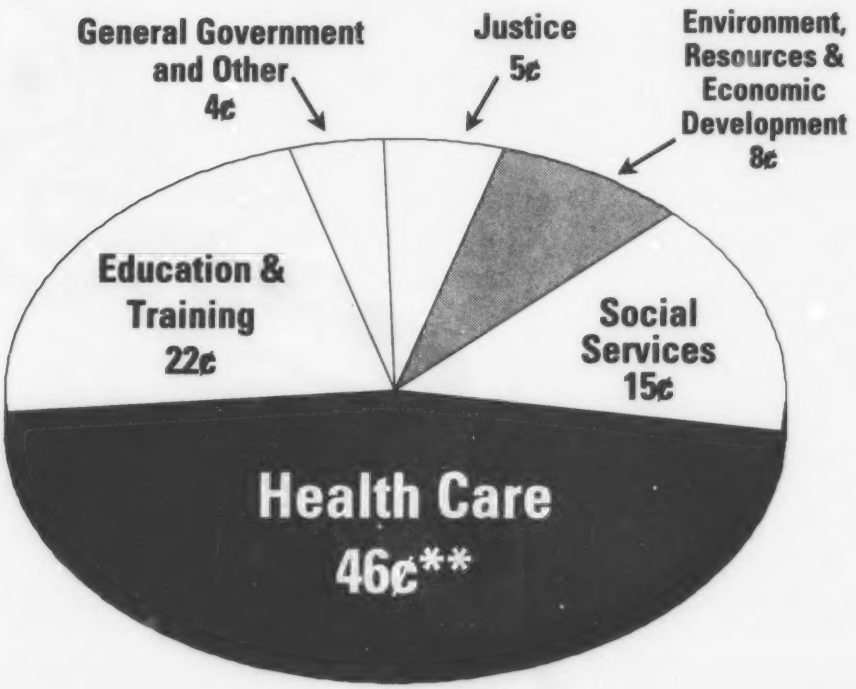
The Budget Dollar
Total Expenditure
2001-02*



* As of September 30

**Includes Major One-Time Health Care Spending.

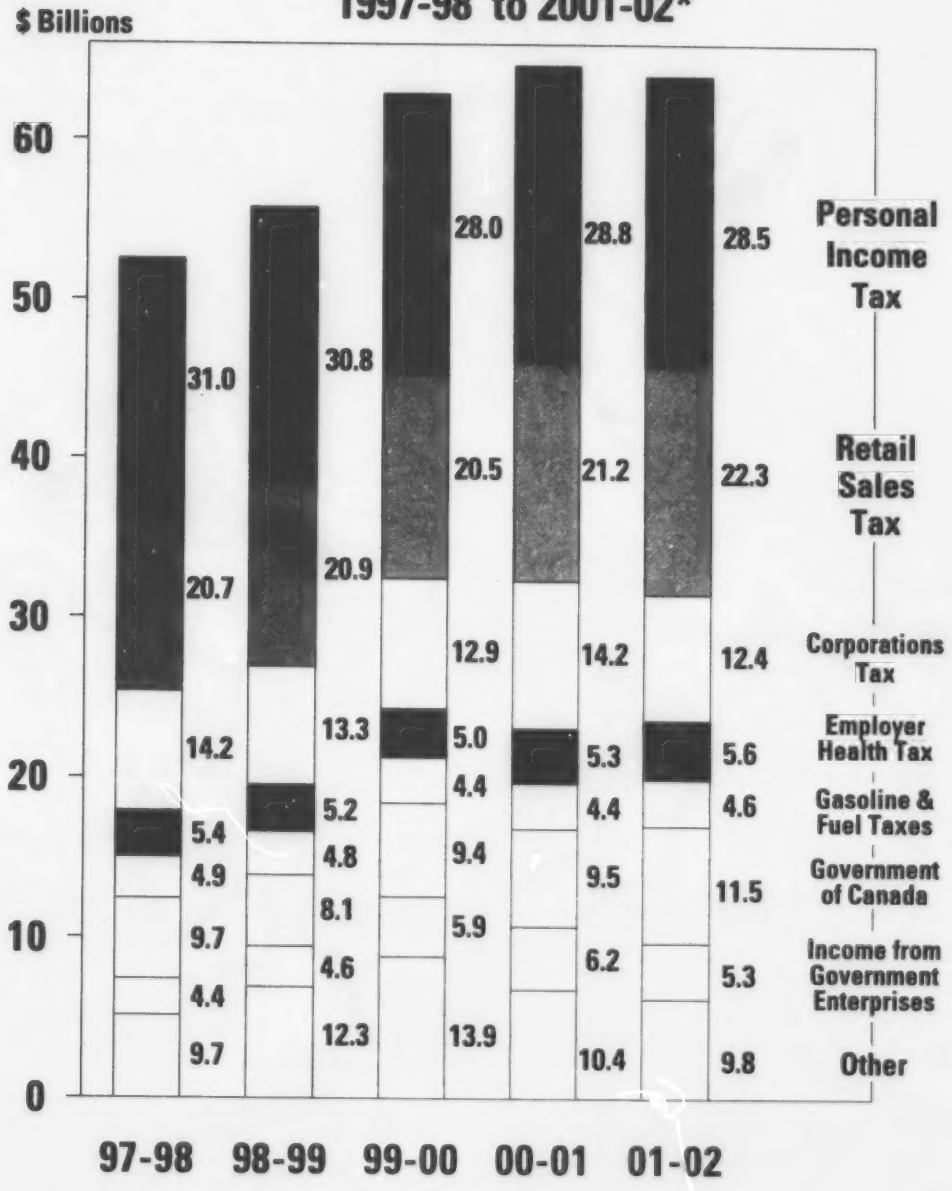
The Budget Dollar
Program Expenditure
2001-02*



* As of September 30

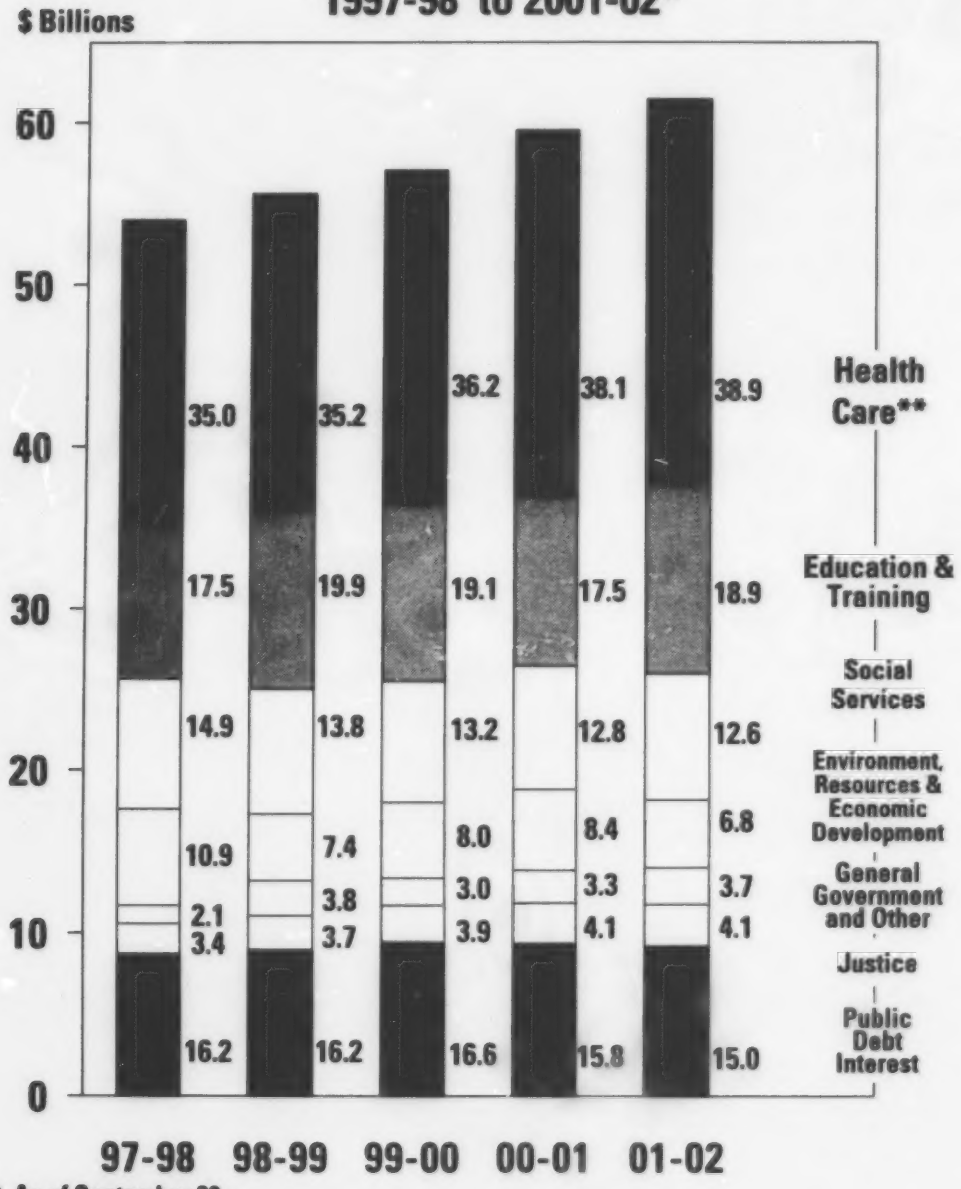
**Includes Major One-Time Health Care Spending; excluding these costs, the health care share is 45 cents.

Revenue Sources by Category
Per Cent of Total
1997-98 to 2001-02*



* As of September 30

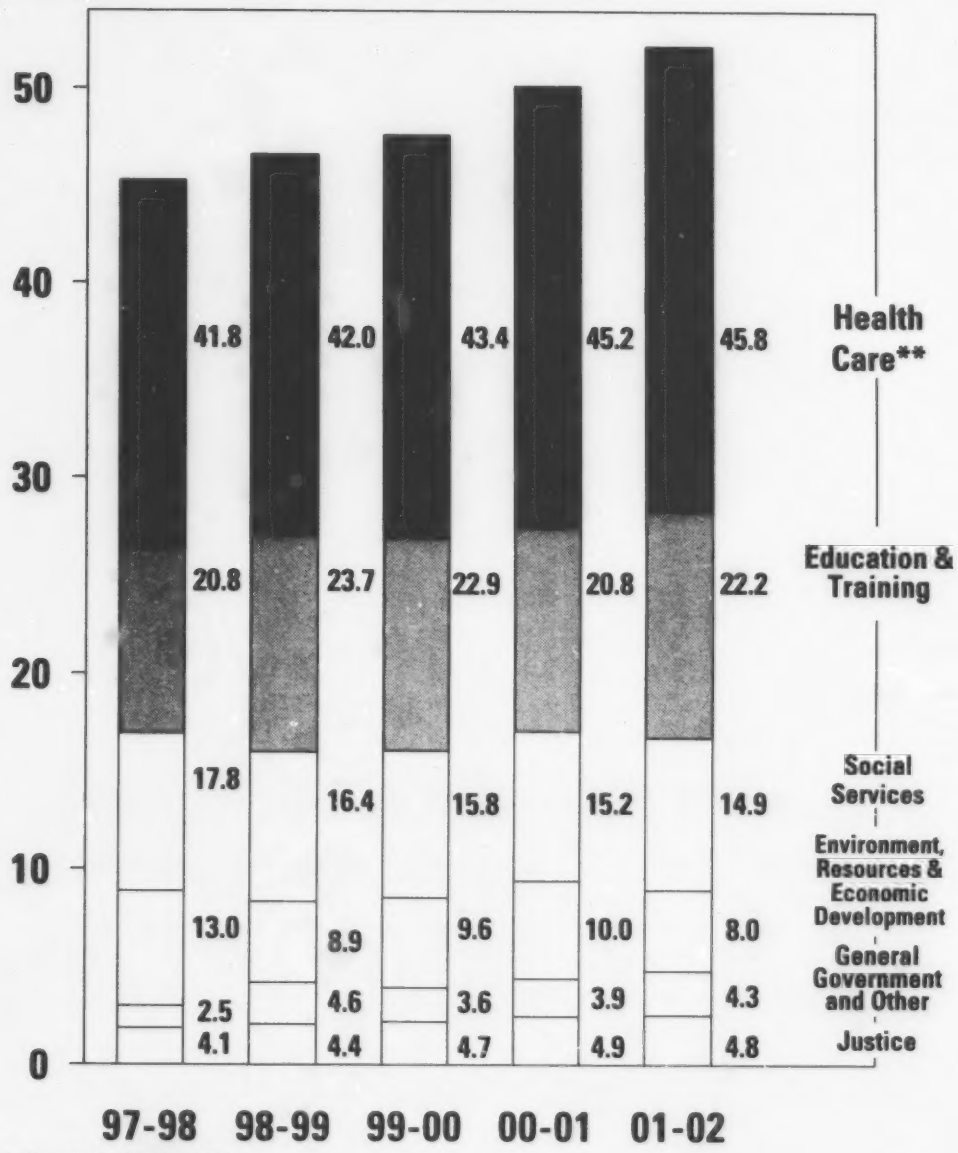
Operating Expenditure by Category
Per Cent of Total
1997-98 to 2001-02*



* As of September 30

**Includes Major One-Time Health Care Spending.

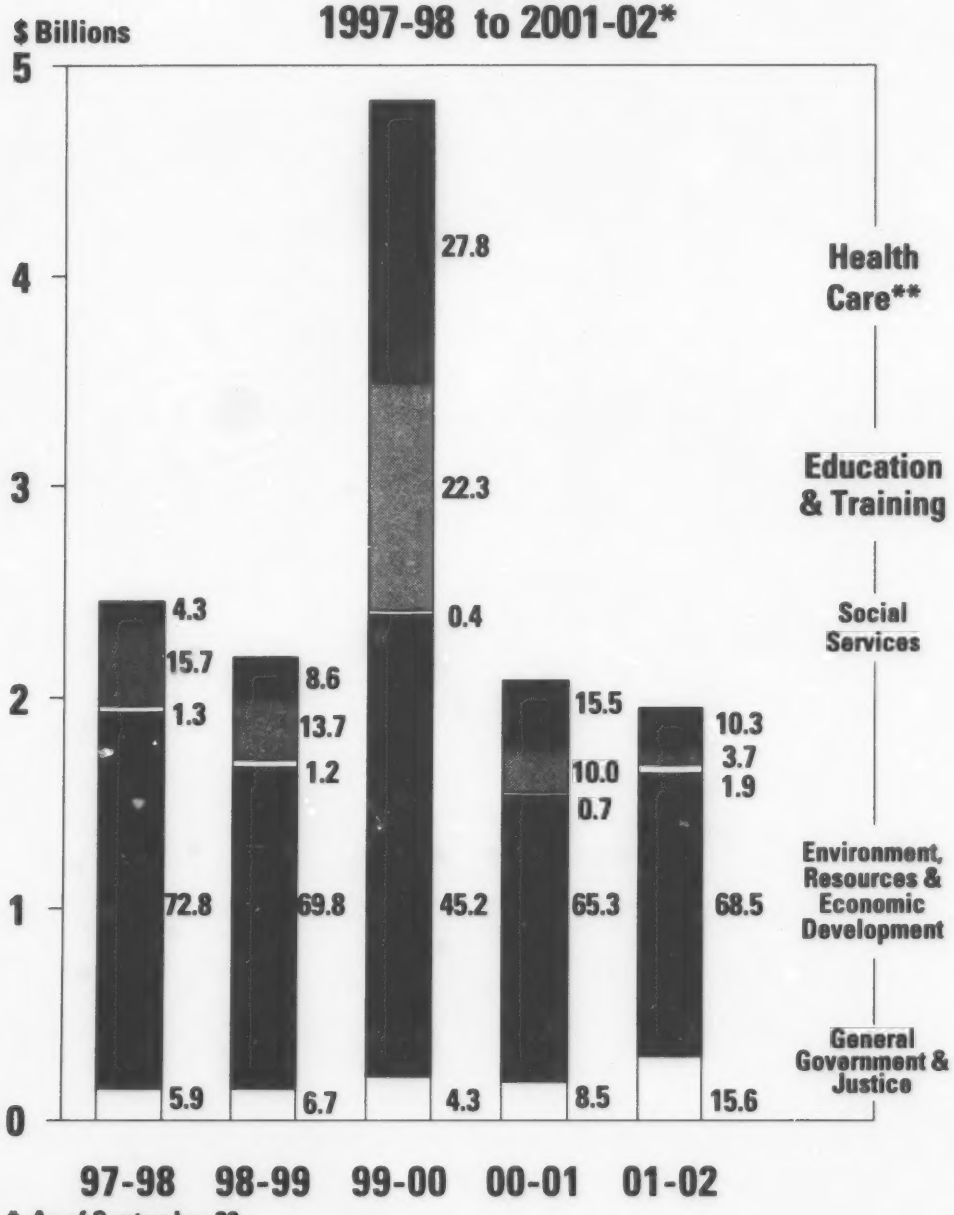
Program Expenditure by Category
Per Cent of Total
1997-98 to 2001-02*



* As of September 30

**Includes Major One-Time Health Care Spending.

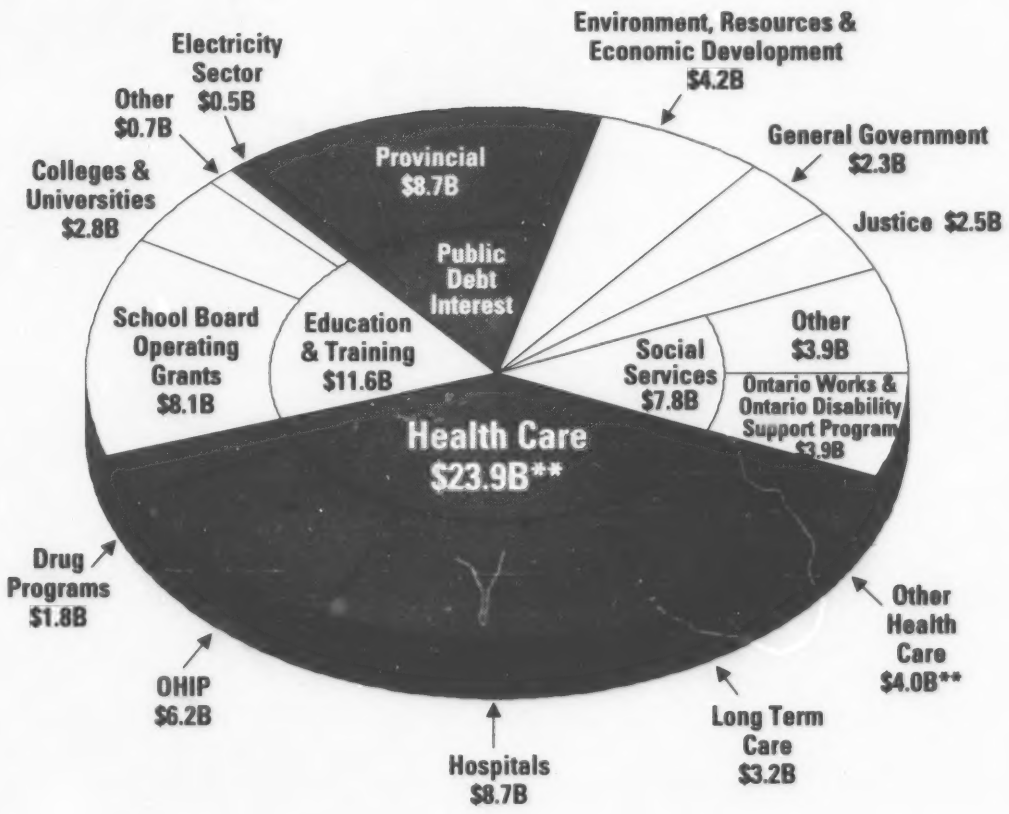
Capital Expenditure by Category
Per Cent of Total
1997-98 to 2001-02*



* As of September 30

**Includes Major One-Time Health Care Spending.

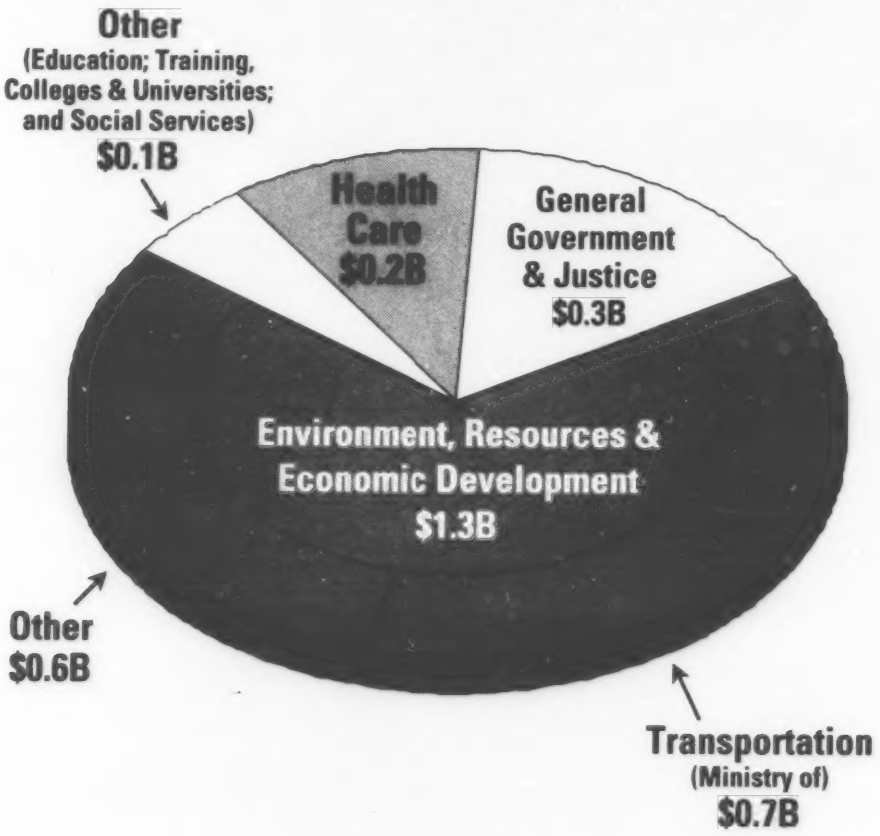
2001-02 Operating Expenditure by Category*
($ Billions)



* As of September 30

**Includes Major One-Time Health Care costs of $190 million for medical equipment.

2001-02 Capital Expenditure by Category*
($ Billions)



* As of September 30

D: Policies for a Sound Economy

ONTARIO'S GOAL

"Ontario will enjoy the best-performing economy and the highest quality of life in North America."

Ontario Budget, 2001

Ontario's strong economic and fiscal performance since 1995 and its ability to cope with the effects of the current global slowdown are the result of sound policy actions. This section reviews these actions. The Government of Ontario continues to:

- cut taxes for people and business to promote economic growth;
- invest in research, innovation and education;
- remove barriers to growth; and
- invest in infrastructure.

Cutting Taxes for People to Support Economic Growth

"The hard-working people of this province will invest and spend their money in ways that will help the economy to grow."

Ontario Budget, 2001

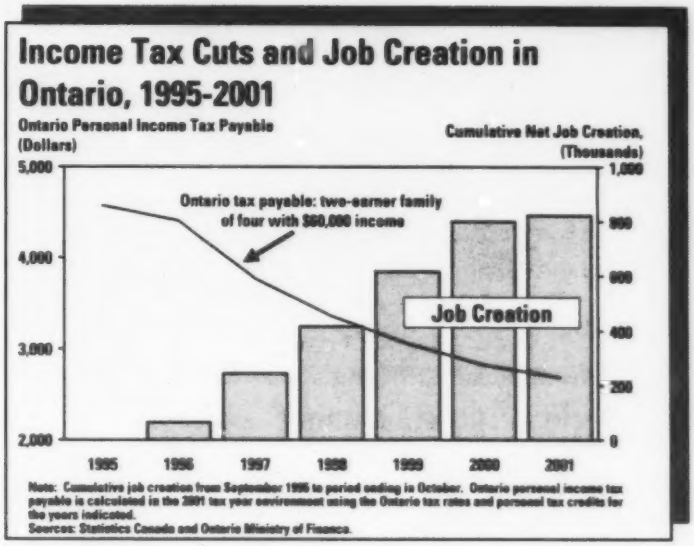
Personal income tax cuts improve the economic well-being of the people of Ontario and support Ontario's position as an economic growth leader. PIT cuts lower the tax applied to unincorporated small business, encouraging entrepreneurship and job creation.

Since 1995, the Ontario Government has:

- cut provincial personal income tax rates sharply;
- fully indexed Ontario's personal income tax system to offset the effect of inflation;
- reduced the amount of capital gains taxed from 75 to 50 per cent;
- provided a permanent Land Transfer Tax refund of up to $2,000 for first-time buyers of newly built homes;
- begun the process of ending the personal income surtax;
- reduced annual residential education property taxes by $250 million; and
- introduced and enhanced the Ontario Child Care Supplement for Working Families.

A family of four with net income of $60,000 from two earners will save $2,345 a year in Ontario personal income tax, or more than 50 per cent, because of Ontario's tax cuts.

The largest percentage tax savings go to taxpayers with the lowest incomes. When the government's tax cuts are fully implemented, 735,000 lower-income earners who pay no Ontario income tax will continue to pay income tax to the federal government.


Income Tax Cuts and Job Creation in Ontario, 1995-2001
Ontario Personal Income Tax Payable (Dollars)
Cumulative Net Job Creation, (Thousands)
5,000
4,000
3,000
2,000
1,000
800
600
400
200
0
Ontario tax payable: two-earner family of four with $60,000 income
Job Creation
1995
1996
1997
1998
1999
2000
2001
Note: Cumulative job creation from September 1995 to period ending in October. Ontario personal income tax payable is calculated in the 2001 tax year environment using the Ontario tax rates and personal tax credits for the years indicated.
Sources: Statistics Canada and Ontario Ministry of Finance.

Low personal income tax rates are vital to maintaining a healthy, efficient economy with a rising standard of living. For too long, counterproductive government policies were causing the standard of living in Ontario to stagnate, or even to fall.

In the five years prior to tax cuts, real GDP per person fell in Ontario. In the five years since tax cuts, real GDP per person has risen about 18 per cent, well in excess of the increase in the rest of Canada, the United States or the average of the industrialized countries.

Numerous studies that compare the performance of different countries (and states in the United States) have found that the ones in which taxes and government spending take up a lower share of GDP have higher economic growth.

Income tax cuts improve the efficiency and competitiveness of the economy. Lower income tax rates give everybody, whether business owners or employees, an incentive to work harder and smarter, because they are allowed to keep more of what they earn.

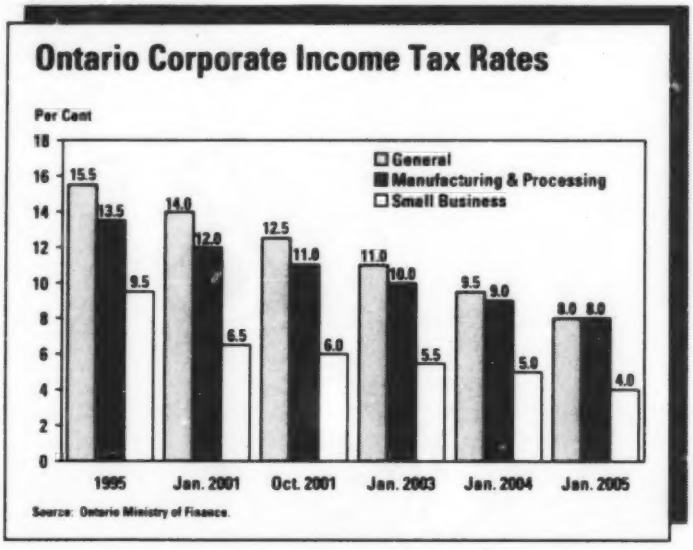
Companies are much more inclined to invest in a location that has lower income tax rates, because it makes it easier for them to attract and keep skilled staff, and because they know that an overtaxed workforce will be less productive. That is one of the reasons Ontario has led the rest of Canada and North America in job creation since the Ontario Government began cutting income tax rates.

Cutting Business Taxes to Enhance Competitiveness

"Since we started cutting taxes business investment in this province has increased by 66 per cent."

Ontario Budget, 2001

Building on our business tax competitiveness is fundamental to Ontario's growth strategy. Business tax cuts increase Ontario's competitiveness and encourage investment and job creation.



By 2005, Ontario will have the lowest combined general corporate income tax rate in North America. No Canadian province will have a lower rate.

- Ontario's general corporate income tax rate and manufacturing and processing tax rate will be cut to 8 per cent by 2005.
- Ontario's small business tax rate will be cut to 4 per cent by 2005 and 7,500 more of Ontario's growing small businesses will benefit from this lower small business rate.

Annual business education property taxes have been cut by $350 million.

The Employer Health Tax was eliminated for 88 per cent of employers and all self-employed individuals in 1999.

Ontario is taking the first step towards eliminating the job-killing capital tax that deters business from investing. By making the first $5 million in capital tax-free, the Province will relieve more than 11,000 small and medium-sized businesses of this burden.

It is sometimes claimed that tax cuts for business primarily benefit the wealthy, but most economists agree that this simply is not true.

This has been accepted for many years in other countries. That is why many countries with a strong preference for spending on social programs, such as Sweden, Finland, Norway and Denmark, already have corporate income tax rates that are as low as Ontario's will be in 2005.

Capital is mobile internationally, and companies can choose from many other locations. If taxes on business are higher in Ontario, the result is lower investment in Ontario and lower incomes for Ontario workers.

Economic studies confirm that corporate tax rates have a major impact on where companies decide to locate their investments. For many years, corporate tax rates in Canada were well above the median of the industrialized countries.

Ontario was uncompetitive in the past, and it lost out on a lot of investment, jobs and productivity as a result. The government policy of cutting business taxes to attract new investment means that the standard of living of the average Ontario worker is growing more rapidly.

Fostering a Culture of Innovation and a Skilled Workforce

"We are investing in new technologies, fostering research and development activities and ensuring that businesses have workers with the skills they need to compete with the best in the world. We are committed to giving our young people the freedom and tools to innovate."

Ontario Budget, 2000

BUILDING A CULTURE OF INNOVATION

Ontario is building a culture of innovation that rewards entrepreneurship, risk-taking, and the pursuit of scientific excellence from the classroom to the boardroom:

- encouraging partnerships with industry and academia to perform world-class research through the Ontario Research and Development Challenge Fund, to build state-of-the-art facilities through the Ontario Innovation Trust, and to establish unique "knowledge networks" through the Ontario Centres of Excellence;
- attracting and retaining top researchers by recognizing and rewarding their accomplishments and supporting them with the only program in Canada dedicated to funding the indirect costs of research; and
- rewarding innovation and research excellence by cutting the top rate of Ontario income tax on capital gains by nearly one-half for corporations and individuals, and providing tax incentives to help research-intensive companies attract and retain skilled researchers.

SHARPENING OUR SKILLS

Ontario is making a series of investments in post-secondary education and training to ensure a highly skilled workforce able to compete in today's knowledge-intensive economy:

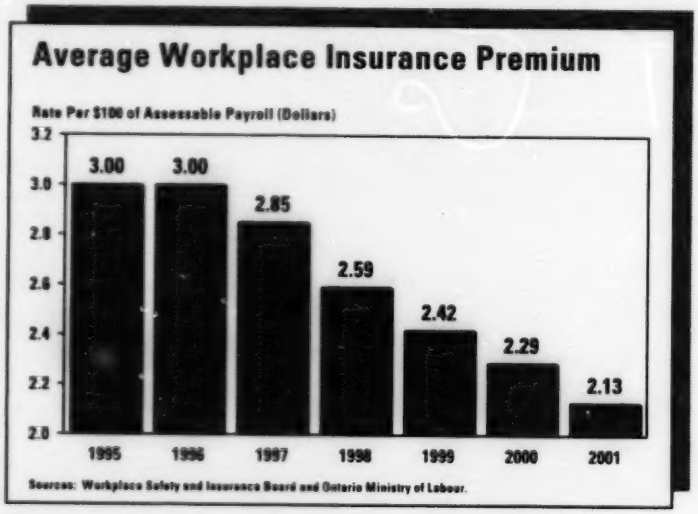
- providing multi-year operating funding to ensure that colleges and universities can meet future enrolment increases; adding 23,000 spaces in computer science and high-demand engineering; and establishing the innovative Ontario Institute of Technology;
- pursuing targeted strategies to address skills needs through training partnerships with the private sector under the Strategic Skills Investment initiative and bridging programs to speed the entry of foreign-trained professionals into the workforce; and
- modernizing and expanding the apprenticeship system to address skills shortages.

Rebalancing Workplace Relations

"And while we've removed such barriers to job creation as high taxes and unfair job quotas, we've been careful to keep rules in place to protect and expand the rights of employees."
Blueprint—Mike Harris' Plan to Keep Ontario on the Right Track, 1999

The government's labour law reforms strengthen competitiveness, enhance workplace democracy and promote Ontario as a good place to live and work:

- The *Employment Standards Act, 2000* benefits both employees and employers. New provisions help employees balance work and family responsibilities through parental leave of up to one year and unpaid emergency leave of up to 10 days each year. The act also reduces red tape and promotes flexible work arrangements.
- The *Labour Relations Amendment Act, 2000* strengthens workers' rights, enhances workplace stability and fosters economic growth.
- The *Labour Relations Amendment Act (Construction Industry), 2000* modernizes labour relations in the construction industry by promoting stability and predictability and by helping contractors to become more competitive.
- Reforms to the Workplace Safety and Insurance system put it on a sound financial footing. The average premium rate has been cut to $2.13 per $100 of assessable payroll in 2001, a 29 per cent drop since 1995 and the lowest level since 1983.



Reducing Red Tape

"Businesses naturally strive to grow and people naturally want to succeed. Sometimes the most important thing a government can do is simply get out of the way of the energy and initiative of the private sector."

Blueprint—Mike Harris' Plan to Keep Ontario on the Right Track, 1999

Eliminating red tape contributes to a positive business climate that attracts investment and job creation. To make it easier for businesses to operate, the government and its Red Tape Commission have eliminated more than 1,700 unnecessary regulations, repealed more than 50 outdated acts, amended more than 200 other acts and passed 13 red tape reduction bills. All proposed regulations must undergo a business impact test.

Ontario is committed to easing costs for businesses and eliminating barriers to their success by:

- passing the *Electronic Commerce Act* to remove outdated legal barriers to e-commerce and increase consumer confidence in online transactions. Ontario was the first province in Canada to bring e-commerce legislation into effect;
- simplifying and streamlining registration and reporting for Ontario business; and
- helping entrepreneurs and small businesses through Community Small Business Investment Funds, Enterprise Centres, Self-Help Offices and Ontario Exports Inc.

Initiatives to promote growth of Ontario's housing and development industry include:

- amending the *Planning Act* and reducing red tape for building permits, to speed decision-making, remove duplication, streamline administration and reduce costs;
- changing the *Development Charges Act* to reduce costs and improve fairness, ensuring development charges do not impede growth; and
- encouraging revitalization of brownfields by streamlining planning processes, clarifying clean-up rules, limiting liability for clean-up costs and stimulating redevelopment through the SuperBuild municipal infrastructure investment partnership initiatives and property tax reductions.

SuperBuild: Investing in Infrastructure

"I am determined to see our children inherit cities, communities, neighbourhoods—an entire province—that is as efficient, that is as strong as possible and that has a quality of life second to none. Our vision will help encourage growth. It will make sure that all regions of Ontario—from our smallest towns to our largest cities—can reach their economic potential. And it will help keep Ontario strong, growing and ready to compete in the 21st century."

Premier Mike Harris

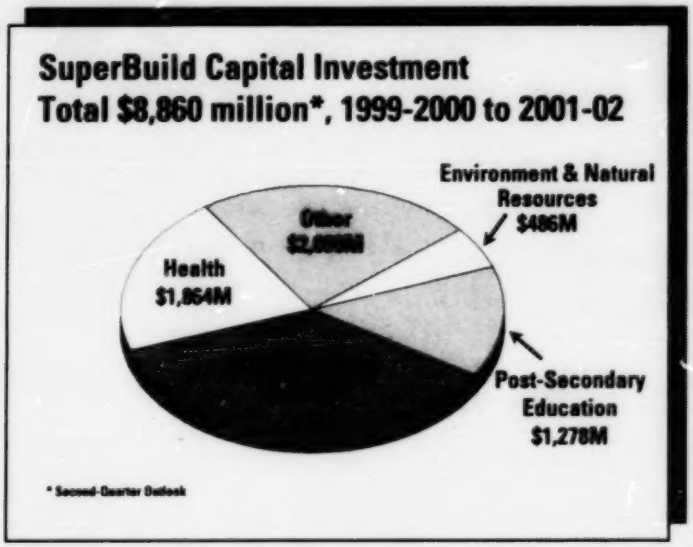
THE SUPERBUILD VISION—BUILDING FOR THE FUTURE

Investment in infrastructure sustains our quality of life, helps keep our economy stable and provides the basis for future economic growth. The government created the Ontario SuperBuild Corporation to provide the kind of visionary, leading-edge thinking needed to meet the infrastructure challenges of the 21st century.

SuperBuild's mandate is to plan for the Province's long-term capital needs, make strategic investments and develop new funding partnerships. This will mean:

- thinking ahead about what to invest in and where to invest;
- keeping our existing assets in a good state of repair;
- building as the economy grows rather than after it grows;
- planning wisely so that infrastructure can be replaced when it wears out; and
- using Provincial funding to leverage infrastructure investment from both public and private partners.

The government has committed to a five-year investment of $20 billion in infrastructure through SuperBuild, including partner contributions. By the end of this fiscal year, SuperBuild will have already invested close to $9 billion and committed substantial additional funding to municipal infrastructure. Through partnerships with our hospitals, colleges, universities, municipalities, the federal government and the private sector, the total invested will reach over $13 billion.



SuperBuild's investments have helped to ensure that public capital investment remains strong, which is helping Ontario weather the current unsettled conditions in the world economy. The value of institutional and government building permits was up 51 per cent in the first eight months of 2001, compared to the first eight months of last year. Public-sector capital investment is currently forecast to grow 9.3 per cent for 2001, well ahead of the economy's growth rate. In the coming months, SuperBuild's investments in highways, hospitals, universities, colleges, water treatment plants and other municipal projects will stimulate local economies and provide construction jobs in every area of the province.

HIGHWAYS AND TRANSIT SYSTEMS FOR THE FUTURE

Rebuilding the province's transportation system is one of the government's key capital investment priorities. Since 1995, the Province has invested more than $5 billion in the highway system. As a result, approximately 90 per cent of the highway network in southern Ontario is now in good condition, up from 62 per cent in 1995. Highway conditions have also improved significantly in the North since 1995, and extensive sections of Highways 11 and 69 have been expanded from two to four lanes.

Ontario's economy has grown so quickly that highway congestion has become a problem, especially in large urban areas and on major trade routes. To keep people and goods moving freely and to meet Ontario's Smart Growth objectives, the government committed to a balanced, strategic approach to unlocking gridlock through major SuperBuild investments over the next 10 years. These investments will include a balance of both highways and transit.

Selected Strategic Transportation Projects

Major Highway Projects Recently Completed or Planned for the Near Future	Highways for the Future	Transit for the Future
400-series – 401 Rehabilitation in GTA – 400 Widening in Toronto and York Region – 401 Widening, Newcastle to Port Hope Other Provincial Highways – Hwy 7 & 8 Widening and Interchange, Kitchener – Hwy 15 Reconstruction, Portland to Lombardy – New Hwy 26, Wasaga Beach to Collingwood Northern Highways – Hwy 11 Widening North of Huntsville – Hwy 17 Resurfacing – Hwy 69 Widening South of Parry Sound	407 East 427 Extension Mid-Peninsula Niagara Corridor 404 & Bradford Bypass New East-West GTA Corridor Ottawa Ring Road Windsor-Detroit Border Crossing	Inter-Regional Transit Expansion in the Golden Horseshoe Strategic Transit Expansion in Other Cities Municipal Transit Renewal GO Transit Capital Investment & Operations

Ontario has committed $3.25 billion over the next 10 years to renew and expand transit systems. This will include support for an expanded GO Transit, new inter-regional transit services in the Golden Horseshoe, transit expansion in other Ontario cities and funding to replace aging assets. If federal and municipal partners also contribute equal shares, more than $9 billion of transit investment could be achieved.

The Province has also committed $10 billion over the next 10 years for highways, to ensure that the highway system will be able to serve a growing population and economy.

A Space for Every Qualified Student

Anticipating future growth in post-secondary enrolment and the need to accommodate the double class of high school graduates in 2003, the Province invested more than $1 billion in 1999-2000 to ensure that universities and colleges have spaces for every qualified student.

SuperBuild's investment will result in an additional investment of at least $800 million from partners, and the creation of more than 73,000 new student spaces.

In addition, the Province supports capital investment in elementary and secondary schools through the Pupil Accommodation Grant. In the last two school years, school boards received $836 million in capital funding, which levered $2.3 billion of capital investment. This year, school boards will receive more than $500 million for repairing, upgrading and building schools.

A Selection of SuperBuild Major Post-Secondary Capital Projects Currently under Construction

Project Title	Description	SuperBuild Funding	Original Investment* Value
St. Clair College—Centre for Excellence in Manufacturing	Construction of a new building to house the Centre for Excellence in Manufacturing and to provide instructional space for the Information Technology and Manufacturing programs. The new space as currently planned will contain five laboratories and five shops. Expected opening date: September 1, 2003.	$10.98 M	$24.40 M
University of Toronto—Bahen Centre for Information Technology	Construction of a new building to provide instructional facilities for students in Computer Science, Electrical and Computer Engineering, and Mechanical and Industrial Engineering. It will also house the Advanced Technologies Research Facility, which conducts research in partnership with industry, including Bell Canada, the Centre for Advanced Coating Technologies, and Nortel. The new space will contain 31 classrooms and 80 laboratories. Expected opening date: May 1, 2002.	$24.03 M	$88.14 M
Queen's University—New Chemistry Building and School of Business Renovation	Building a new Millennium Chemistry Building and renovation of space in the university's old chemistry building and in its School of Business. The new space will contain 34 classrooms and 30 laboratories. Expected opening date: September 1, 2002.	$39.96 M	$94.56 M
Canadore College—Integrated Aviation Program Relocation	Development of a new, comprehensive aerospace campus at the North Bay Airport, allowing the college to relocate its aviation/aerospace programs from the current non-sustainable site. The project will allow Canadore to increase aerospace-related enrolment by approximately 40 per cent. Expected opening date: August 1, 2002.	$8.60 M	$12.49 M

* Includes investments by colleges, universities and private-sector funding partners.

Modernizing Our Hospitals

The province needs 21st-century health infrastructure that can deliver 21st-century health services. Since 1996-97, Ontario has invested $2.2 billion to modernize and upgrade hospitals in 22 communities across the province to implement directions from the Health Services Restructuring Commission, including $1.4 billion in SuperBuild investments. Together with the contributions of our partners, this multi-year investment will provide over $3 billion in new hospital construction and renovation. Many of these projects are currently underway or will start in the near future.

Despite significant Provincial investment, demand for capital investment in health infrastructure remains high as the population ages and new diagnostic and treatment technologies become available. That is why, as part of the 2001 Budget, the government announced that SuperBuild will work with the Ministry of Health and Long-Term Care to develop a long-term health infrastructure strategy that will address current and future capital needs. The strategy will examine the potential for public-private partnerships and other tools to finance new capital investment in the health care system.

Selected SuperBuild Hospital Projects

The Hotel Dieu Grace Hospital, Windsor: Ontario's capital investment of $52.1 million will support construction of a new wing with an expanded emergency room, new operating rooms, and new diagnostic imaging department. The total project cost is $76.6 million. Construction is expected to be complete by late 2002.

St. Joseph's Hospital and Home, Guelph: The Province's contribution of $21.7 million will support construction of a new facility offering a variety of long-term care, rehabilitation, complex continuing care and ambulatory services. The total project cost is $31.5 million. Completion is expected in April 2002.

Northumberland Health Care Corporation, Cobourg: Ontario's capital investment of $38.3 million will support the construction of a new facility to enable the hospital to provide complex continuing care, rehabilitation, mental health, acute and emergency services in a state-of-the-art environment. The facility is estimated to cost $54.9 million. Completion is expected in the fall of 2003.

St. Joseph's Health Centre, Toronto: Ontario has committed $42.6 million in capital funding to modernize the hospital. The project's first phase to enhance emergency, ambulatory care and inpatient mental health services is underway. The final phase will accommodate various new clinical and inpatient services. The total project cost is $64.7 million. Construction is expected to be complete by 2004.

Grand River Regional Cancer Centre: Construction of the new regional cancer centre in Kitchener-Waterloo will offer state-of-the-art cancer services. The Province is providing $36.7 million in capital funding through SuperBuild towards the project cost of $52.5 million. Completion is expected in September 2002.

STRENGTHENING MUNICIPAL INFRASTRUCTURE

In the 2000 Budget, the government announced three major SuperBuild partnership initiatives designed to strengthen the economies and quality of life in communities throughout Ontario. SuperBuild will be investing $1.9 billion towards improvements in municipal water and sewer systems, roads, bridges, sport, tourism and cultural facilities, and a variety of other important local projects, including revitalization of the Toronto waterfront. Partner contributions will significantly increase the total investment.

The government is committed to moving forward quickly on these initiatives. It recognizes that municipalities are currently in the process of drafting their capital budgets for the coming year and need certainty about SuperBuild funding to be able to finalize their plans. In a period of economic uncertainty, these projects will support jobs and business for local contractors and suppliers all across Ontario.

As part of the government's commitment to fast-track this process, we are announcing the following SuperBuild projects:

Millennium Partnerships

University of Waterloo Technology Park

$13.4 million towards a $214-million proposal to create a Research and Technology Park at the University of Waterloo. The goal of this partnership, comprising the Region, the University, the City of Waterloo, and the private sector, is to create a Park that will be a catalyst for business and academia to succeed and prosper through collaborative research and development; create a research environment to stimulate delivery of technology from the laboratory to the marketplace; provide employment to co-op students and graduates; and respond to the demand for space from local businesses, serving to retain existing jobs and create new jobs in the region.

Sudbury Water Treatment Plant

$6.6 million towards a $20-million investment, bringing Sudbury's David Street Water Treatment Plant into compliance with the new Drinking Water Protection Regulation and providing clean water that meets Ontario's new stringent standards to 40,000 residents of that city.

London Economic Development/Transportation

$32 million towards a $96-million package of projects that will open up new serviced industrial land in the southern part of the City of London and address its transportation infrastructure priorities, ensuring it is able to take full advantage of its strategic location directly north of Highway 401 in the heart of southwestern Ontario.

Ottawa Economic Development and Tourism

$70 million towards a package of transportation and tourism investments in the City of Ottawa that will improve access to business parks, promote local tourism, and support the city's Smart Growth plans.

These municipalities have committed to at least match our funding commitment. Ontario and its partnering municipalities look forward to federal announcements committing it to full funding partnership as well.

During the coming weeks, the government will be making a series of announcements throughout the province as part of its commitment to fast-track project funding commitments. Hundreds of SuperBuild projects will be announced shortly.

Safe Drinking Water

Safe, clean drinking water is fundamental to Ontario's quality of life. As part of Operation Clean Water, the Province established a new Ontario Drinking Water Protection Regulation in 2000. The regulation raises the standards that municipal drinking water systems must meet. SuperBuild is providing $240 million to help municipalities comply with the new regulation and carry out other critical health and safety projects.

In response to municipal concerns about the proposed funding formula for public health and safety projects, including clean drinking water projects, the Province has committed to a one-third funding share. Ontario has asked the federal government for an early commitment to its matching one-third share.

In addition, the government has asked the SuperBuild Advisory Board to guide the development of a long-term water and sewer infrastructure investment and financing strategy. As part of the strategy, the board will be evaluating options for moving to full-cost pricing and the implications of full-cost pricing for water and sewer services. This strategy is expected to be ready for the government's consideration in 2002.

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Table 1 **Outlook for the Ontario Economy**

(Annual Average Per Cent Change)

	Actual		Private-Sector Average		
	1999	2000	2001p	2002p	2003p
Gross Domestic Product					
Real	7.4	5.3	1.1	1.3	4.3
Nominal	7.3	5.9	3.9	2.7	6.1
Other Economic Indicators					
Retail Sales	7.3	7.3	3.3	3.5	5.2
Housing Starts - Units (000s)	67.2	71.5	73.9	71.0	73.5
Personal Income	6.3	6.4	4.1	2.9	5.5
Pre-Tax Corporate Profits	15.7	5.8	-2.2	-3.2	12.6
Consumer Price Index (1992=100)	1.9	2.9	3.3	2.0	2.0
Labour Market					
Employment	3.6	3.2	1.5	0.3	2.3
Unemployment Rate (%)	6.3	5.7	6.3	7.1	6.6

p = private-sector projection.

Sources: Statistics Canada, Canada Mortgage and Housing Corporation, Ontario Ministry of Finance and Ministry of Finance Survey of Private-Sector Forecasts (November 2001).

Table 2	Ontario, Gross Domestic Product, 1987-2000						
							($ Billions)
	1987	1988	1989	1990	1991	1992	1993
Real Gross Domestic Product ($1997)	**292.7**	**308.4**	**318.8**	**314.7**	**302.8**	**305.3**	**309.0**
Consumption	160.3	168.8	175.4	176.2	173.1	175.9	178.3
Government	58.9	62.2	65.0	68.6	71.8	72.2	71.7
Residential Construction	20.5	21.3	23.1	18.8	15.9	16.8	15.4
Non-Residential Construction	12.0	13.2	14.0	12.9	12.5	11.0	8.9
Machinery and Equipment	14.5	17.1	17.6	17.1	16.4	17.6	16.9
Exports	144.3	156.0	161.9	162.4	158.4	165.0	178.8
Imports	121.3	137.2	143.9	141.5	141.3	149.8	158.7
Nominal Gross Domestic Product	**231.1**	**256.7**	**279.1**	**283.3**	**283.4**	**287.0**	**294.0**

Table 2 (continued)							($ Billions)
	1994	1995	1996	1997	1998	1999	2000
Real Gross Domestic Product ($1997)	**327.4**	**339.5**	**343.1**	**360.0**	**377.4**	**405.2**	**426.6**
Consumption	183.7	187.6	191.7	200.7	208.0	216.6	225.6
Government	72.5	73.1	70.6	70.5	71.2	74.8	78.8
Residential Construction	15.8	13.6	14.9	17.2	16.8	19.2	20.2
Non-Residential Construction	7.8	7.6	9.2	10.0	10.1	11.1	10.5
Machinery and Equipment	19.6	21.7	23.8	29.3	31.8	34.7	38.8
Exports	197.8	214.2	225.9	242.6	260.7	290.0	307.6
Imports	169.4	181.0	190.4	213.3	222.6	241.7	257.6
Nominal Gross Domestic Product	**311.6**	**329.9**	**338.8**	**360.0**	**378.1**	**405.6**	**429.5**

Sources: Statistics Canada and Ontario Ministry of Finance.

Table 3	Ontario, Growth in Gross Domestic Product, 1987-2000						
							(Per Cent Change)
	1987	1988	1989	1990	1991	1992	1993
Real Gross Domestic Product ($1997)	**4.7**	**5.4**	**3.4**	**-1.3**	**-3.8**	**0.9**	**1.2**
Consumption	5.2	5.3	3.9	0.5	-1.8	1.6	1.4
Government	4.1	5.7	4.5	5.4	4.7	0.5	-0.6
Residential Construction	15.9	3.6	8.9	-18.8	-15.2	5.4	-8.5
Non-Residential Construction	10.2	10.1	6.1	-7.8	-3.5	-11.9	-19.3
Machinery and Equipment	12.2	17.6	3.0	-2.6	-4.0	7.1	-4.0
Exports	2.6	8.1	3.8	0.3	-2.5	4.2	8.3
Imports	5.7	13.1	4.9	-1.7	-0.1	6.0	5.9
Nominal Gross Domestic Product	**10.7**	**11.1**	**8.7**	**1.5**	**0.1**	**1.3**	**2.4**

Table 3 (continued)							(Per Cent Change)
	1994	1995	1996	1997	1998	1999	2000
Real Gross Domestic Product ($1997)	**6.0**	**3.7**	**1.1**	**4.9**	**4.8**	**7.4**	**5.3**
Consumption	3.0	2.1	2.2	4.7	3.7	4.1	4.1
Government	1.1	0.8	-3.5	0.0	0.9	5.0	5.4
Residential Construction	2.8	-14.0	9.6	15.2	-1.8	14.0	5.0
Non-Residential Construction	-12.2	-2.3	20.3	9.3	1.3	9.3	-5.2
Machinery and Equipment	15.7	11.1	9.4	23.1	8.7	8.9	12.1
Exports	10.6	8.3	5.4	7.4	7.5	11.2	6.0
Imports	6.8	6.8	5.2	12.0	4.4	8.6	6.6
Nominal Gross Domestic Product	**6.0**	**5.9**	**2.7**	**6.3**	**5.0**	**7.3**	**5.9**

Sources: Statistics Canada and Ontario Ministry of Finance.

Table 4	Ontario, Selected Economic Indicators, 1987-2000						
	1987	1988	1989	1990	1991	1992	1993
Retail Sales* ($ Billions)	64.7	69.8	72.6	72.6	67.3	68.9	71.7
Housing Starts - Units (000s)	105.2	99.9	93.3	62.6	52.8	55.8	45.1
Personal Income ($ Billions)	187.6	208.7	229.0	241.7	247.7	253.8	256.1
Pre-Tax Corporate Profits ($ Billions)	25.6	29.4	27.4	19.8	14.6	14.5	17.9
Consumer Price Index (1992 = 100)	81.4	85.3	90.2	94.6	99.0	100.0	101.8
Labour Force (000s)	5,209	5,354	5,470	5,533	5,544	5,542	5,581
Employment (000s)	4,893	5,083	5,193	5,191	5,016	4,949	4,974
Unemployment Rate (%)	6.1	5.1	5.1	6.2	9.5	10.7	10.9

Table 4 (continued)	1994	1995	1996	1997	1998	1999	2000
Retail Sales* ($ Billions)	76.9	79.6	80.2	86.4	92.4	99.2	106.4
Housing Starts - Units (000s)	46.6	35.8	43.1	54.1	53.8	67.2	71.5
Personal Income ($ Billions)	260.6	271.4	276.3	289.5	303.1	322.2	342.8
Pre-Tax Corporate Profits ($ Billions)	27.9	33.1	34.2	37.5	40.3	46.6	49.3
Consumer Price Index (1992 = 100)	101.8	104.3	105.9	107.9	108.9	111.0	114.2
Labour Force (000s)	5,574	5,620	5,695	5,801	5,914	6,071	6,228
Employment (000s)	5,039	5,131	5,181	5,313	5,490	5,688	5,872
Unemployment Rate (%)	9.6	8.7	9.0	8.4	7.2	6.3	5.7

* Retail sales include Federal Sales Taxes up to 1990 but exclude GST after 1990.

Sources: Statistics Canada, Ontario Ministry of Finance and Canada Mortgage and Housing Corporation.

Table 5 **Ontario, Economic Indicators, Annual Change, 1987-2000**

(Per Cent Change)

	1987	1988	1989	1990	1991	1992	1993
Retail Sales*	10.5	7.8	4.0	0.0	-7.2	2.3	4.1
Housing Starts	29.1	-5.0	-6.6	-32.9	-15.7	5.6	-19.1
Personal Income	9.6	11.3	9.7	5.5	2.5	2.5	0.9
Pre-Tax Corporate Profits	21.8	14.7	-6.7	-27.8	-26.0	-0.8	23.1
Consumer Price Index	5.0	4.8	5.7	4.9	4.7	1.0	1.8
Labour Force	2.6	2.8	2.2	1.2	0.2	0.0	0.7
Employment	3.6	3.9	2.2	0.0	-3.4	-1.3	0.5

Table 5 (continued)

(Per Cent Change)

	1994	1995	1996	1997	1998	1999	2000
Retail Sales*	7.2	3.6	0.7	7.8	6.9	7.3	7.3
Housing Starts	3.3	-23.2	20.2	25.6	-0.4	24.9	6.4
Personal Income	1.8	4.1	1.8	4.8	4.7	6.3	6.4
Pre-Tax Corporate Profits	55.8	18.7	3.3	9.9	7.4	15.7	5.8
Consumer Price Index	0.0	2.5	1.5	1.9	0.9	1.9	2.9
Labour Force	-0.1	0.8	1.3	1.9	1.9	2.6	2.6
Employment	1.3	1.8	1.0	2.6	3.3	3.6	3.2

* Retail sales include Federal Sales Taxes up to 1990 but exclude GST after 1990.

Sources: Statistics Canada, Ontario Ministry of Finance and Canada Mortgage and Housing Corporation.

Table 6 **Ontario, Real Gross Domestic Product by Industry[1], 1997-2000**

($ Millions)

	1997	1998	1999	2000
Goods Producing Industries ($1997)	**104,051**	**108,821**	**117,761**	**122,715**
Primary Industries	6,863	7,077	6,957	6,876
Mining, Oil and Gas	2,857	2,830	2,682	2,636
Utilities	10,019	9,603	10,064	10,514
Construction	15,521	15,778	17,589	18,304
Manufacturing[2]	71,648	76,364	83,151	87,021
Services Producing Industries	**227,333**	**238,421**	**252,940**	**266,446**
Trade	36,369	39,799	44,627	47,304
Wholesale	19,926	21,770	25,170	26,637
Retail	16,443	18,029	19,458	20,667
Transportation and Warehousing	14,076	14,553	15,194	15,991
Transportation	13,682	14,123	14,747	15,544
Warehousing and Storage	395	429	447	447
Information and Cultural Industries	11,434	12,455	15,150	17,293
Finance, Insurance, Real Estate and Leasing	71,775	74,394	77,638	81,218
Professional, Scientific and Technical Services	13,909	15,377	17,097	19,159
Management, Administrative and Other Support Services	7,298	8,118	8,890	9,747
Educational Services	16,920	17,377	17,335	17,316
Health Care and Social Assistance	19,705	20,006	19,895	20,143
Arts, Entertainment and Recreation	3,169	3,221	3,329	3,519
Accommodation and Food Services	6,999	7,446	7,986	8,214
Other Services	7,404	7,599	7,635	7,796
Government Services	18,276	18,077	18,165	18,747
Federal	8,466	8,448	8,724	8,973
Provincial	4,577	4,532	4,511	4,616
Local	5,232	5,097	4,929	5,158
Total Production ($1997) at Basic Prices	**331,384**	**347,242**	**370,702**	**389,160**
Indirect Taxes on Products Less Subsidies plus Miscellaneous Adjustments	28,569	30,155	34,532	37,465
Gross Domestic Product ($1997) at Market Prices	**359,953**	**377,397**	**405,234**	**426,625**

Notes:

1. Gross Domestic Product on an industry basis is at basic prices, whereas GDP on an expenditure basis is at market prices.
2. See Table 8 for detailed manufacturing industries.

Sources: Statistics Canada and Ontario Ministry of Finance.

Table 7 Ontario, Growth in Real Gross Domestic Product by Industry[1], 1998-2000

(Per Cent Change)

	1998	1999	2000
Goods Producing Industries ($1997)	**4.6**	**8.2**	**4.2**
Primary Industries	3.1	-1.7	-1.2
Mining, Oil and Gas	-0.9	-5.2	-1.7
Utilities	-4.2	4.8	4.5
Construction	1.7	11.5	4.1
Manufacturing[2]	6.6	8.9	4.7
Services Producing Industries	**4.9**	**6.1**	**5.3**
Trade	9.4	12.1	6.0
Wholesale	9.3	15.6	5.8
Retail	9.6	7.9	6.2
Transportation and Warehousing	3.4	4.4	5.2
Transportation	3.2	4.4	5.4
Warehousing and Storage	8.8	4.1	0.1
Information and Cultural Industries	8.9	21.6	14.1
Finance, Insurance, Real Estate and Leasing	3.6	4.4	4.6
Professional, Scientific and Technical Services	10.6	11.2	12.1
Management, Administrative and Other Support Services	11.2	9.5	9.6
Educational Services	2.7	-0.2	-0.1
Health Care and Social Assistance	1.5	-0.6	1.2
Arts, Entertainment and Recreation	1.7	3.3	5.7
Accommodation and Food Services	6.4	7.3	2.9
Other Services	2.6	0.5	2.1
Government Services	-1.1	0.5	3.2
Federal	-0.2	3.3	2.8
Provincial	-1.0	-0.5	2.3
Local	-2.6	-3.3	4.7
Total Production ($1997) at Basic Prices	**4.8**	**6.8**	**5.0**
Gross Domestic Product ($1997) at Market Prices	**4.8**	**7.4**	**5.3**

Notes:

1. Gross Domestic Product on an industry basis is at basic prices, whereas GDP on an expenditure basis is at market prices.
2. See Table 9 for detailed manufacturing industries.

Sources: Statistics Canada and Ontario Ministry of Finance.

Table 8 **Ontario, Real Gross Domestic Product in Selected Manufacturing Industries, 1997-2000**

($ Millions)

	1997	1998	1999	2000
Manufacturing ($1997)	**71,648**	**76,364**	**83,151**	**87,021**
Food	6,404	6,776	6,847	7,072
Beverage & Tobacco Products	2,440	2,602	2,639	2,634
Textile & Textile Product Mills	742	819	808	758
Clothing	908	943	906	879
Leather & Allied Products	157	167	155	114
Paper	3,459	3,366	3,703	3,787
Printing	2,216	2,196	2,197	2,190
Petroleum & Coal Products	595	620	772	819
Chemical	6,138	6,370	6,538	6,555
Rubber Products	1,308	1,321	1,436	1,635
Non-Metallic Mineral Products	1,840	2,069	2,278	2,357
Primary & Fabricated Metal Products	9,987	10,895	11,314	11,539
Machinery, Electrical and Electronic Products	11,991	13,121	14,725	17,705
Transportation Equipment	16,043	16,923	19,691	19,697
Furniture Products	1,822	2,163	2,442	2,815
Other Manufacturing	5,599	6,015	6,699	6,465

Note: Gross Domestic Product on an industry basis is at basic prices, whereas GDP on an expenditure basis is at market prices.

Sources: Statistics Canada and Ontario Ministry of Finance.

Table 9 **Ontario, Growth in Real Gross Domestic Product in Selected Manufacturing Industries, 1998-2000**

(Per Cent Change)

	1998	1999	2000
Manufacturing ($1997)	**6.6**	**8.9**	**4.7**
Food	5.8	1.1	3.3
Beverage & Tobacco Products	6.6	1.4	-0.2
Textile & Textile Product Mills	10.4	-1.3	-6.2
Clothing	3.8	-3.9	-3.0
Leather & Allied Products	6.1	-6.8	-26.4
Paper	-2.7	10.0	2.3
Printing	-0.9	0.0	-0.3
Petroleum & Coal Products	4.1	24.4	6.2
Chemical	3.8	2.6	0.3
Rubber Products	1.0	8.8	13.8
Non-Metallic Mineral Products	12.4	10.1	3.5
Primary & Fabricated Metal Products	9.1	3.8	2.0
Machinery, Electrical and Electronic Products	9.4	12.2	20.2
Transportation Equipment	5.5	16.4	0.0
Furniture Products	18.7	12.9	15.3
Other Manufacturing	7.4	11.4	-3.5

Note: Gross Domestic Product on an industry basis is at basic prices, whereas GDP on an expenditure basis is at market prices.

Sources: Statistics Canada and Ontario Ministry of Finance.

Table 10	Ontario, Housing Market Indicators, 1994-2000						
	1994	1995	1996	1997	1998	1999	2000
Residential Construction							
Current $ Millions*	**15,353**	**13,279**	**14,549**	**17,154**	**17,228**	**20,128**	**21,799**
	5.0	-13.5	9.6	17.9	0.4	16.8	8.3
New Construction*	7,461	5,962	6,554	8,257	8,350	10,573	11,775
	12.2	-20.1	9.9	27.2	1.1	26.6	11.4
Alterations and Improvements*	5,058	4,996	5,339	5,711	5,760	6,087	6,370
	-4.7	-1.2	6.9	6.1	0.9	5.7	4.6
Transfer Costs*	2,834	2,321	2,656	3,186	3,118	3,468	3,654
	6.2	-18.1	14.4	19.0	-2.1	11.2	5.4
Housing Starts (000's)*	**46.6**	**35.8**	**43.1**	**54.1**	**53.8**	**67.2**	**71.5**
	3.3	-23.2	20.2	25.6	-0.4	24.9	6.4
Home Resales (000's)*	**115.2**	**105.0**	**137.9**	**140.6**	**138.5**	**148.7**	**147.0**
	7.8	-8.8	31.4	1.9	-1.5	7.4	-1.1
Average Resale Home Price ($)*	**160,158**	**154,606**	**155,662**	**164,382**	**167,115**	**174,049**	**183,869**
	2.3	-3.5	0.7	5.6	1.7	4.1	5.6

* Per cent change is shown on second line.

Sources: Statistics Canada, Canada Mortgage and Housing Corporation, Canadian Real Estate Association and Ontario Ministry of Finance.

Table 11 — **Selected Financial Indicators, 1987-2000**

(Per Cent)

	1987	1988	1989	1990	1991	1992	1993
Interest Rates							
Bank Rate	8.4	9.7	12.3	13.0	9.0	6.8	5.1
Prime Rate	9.5	10.8	13.3	14.1	9.9	7.5	5.9
10-Year Government Bonds	9.5	9.8	9.8	10.8	9.4	8.1	7.2
Three-Month T-Bills	8.1	9.5	12.1	12.8	8.7	6.6	4.8
Mortgage Rates							
5-Year Rate	11.2	11.6	12.1	13.4	11.1	9.5	8.8
1-Year Rate	9.9	10.8	12.9	13.4	10.1	7.9	6.9
Household Debt Burden*							
Consumer	19.2	20.1	20.5	21.2	21.0	20.9	20.9
Mortgage	42.7	46.4	49.1	53.1	55.7	59.0	61.9
Total	62.0	66.5	69.6	74.3	76.7	79.9	82.8

Table 11 (continued)

(Per Cent)

	1994	1995	1996	1997	1998	1999	2000
Interest Rates							
Bank Rate	5.8	7.3	4.5	3.5	5.1	4.9	5.8
Prime Rate	6.9	8.6	6.1	5.0	6.6	6.4	7.3
10-Year Government Bonds	8.4	8.1	7.2	6.1	5.3	5.6	5.9
Three-Month T-Bills	5.5	6.9	4.2	3.3	4.7	4.7	5.5
Mortgage Rates							
5-Year Rate	9.5	9.2	7.9	7.1	6.9	7.6	8.4
1-Year Rate	7.8	8.4	6.2	5.5	6.5	6.8	7.9
Household Debt Burden*							
Consumer	22.2	23.0	24.2	25.8	27.4	28.1	29.8
Mortgage	65.1	65.2	66.7	67.9	68.5	68.2	67.6
Total	87.3	88.2	91.0	93.7	96.0	96.3	97.3

* Canadian household debt as a share of personal disposable income.

Note: All data are annual averages.

Sources: Statistics Canada and Bank of Canada.

Table 12 **Ontario and the G-7, Real Gross Domestic Product Growth, 1987-2000**

(Per Cent)

	1987	1988	1989	1990	1991	1992	1993
Ontario	4.7	5.4	3.4	-1.3	-3.8	0.9	1.2
Canada	4.2	4.9	2.6	0.2	-2.1	0.9	2.4
France	2.5	4.2	4.1	2.6	1.0	1.5	-1.0
Germany	1.5	3.7	3.6	5.7	5.0	2.2	-1.1
Italy	3.0	3.9	2.9	2.0	1.4	0.8	-0.9
Japan	4.5	6.5	5.3	5.3	3.1	0.9	0.4
United Kingdom	4.4	5.2	2.1	0.7	-1.5	0.1	2.3
United States	3.4	4.2	3.5	1.8	-0.5	3.0	2.7

Table 12 (continued)

(Per Cent)

	1994	1995	1996	1997	1998	1999	2000
Ontario	6.0	3.7	1.1	4.9	4.8	7.4	5.3
Canada	4.7	2.8	1.6	4.3	3.9	5.1	4.4
France	2.0	1.7	1.1	1.9	3.5	3.0	3.2
Germany	2.3	1.7	0.8	1.4	2.1	1.6	3.0
Italy	2.2	2.9	1.1	2.0	1.8	1.6	2.9
Japan	1.0	1.6	3.5	1.8	-1.1	0.8	1.5
United Kingdom	4.4	2.8	2.6	3.5	2.6	2.3	3.1
United States	4.0	2.7	3.6	4.4	4.3	4.1	4.1

Sources: OECD, U.S. Department of Commerce and Statistics Canada.

Table 13 **Ontario and the G-7, Employment Growth, 1987-2000**

(Per Cent)

	1987	1988	1989	1990	1991	1992	1993
Ontario	3.6	3.9	2.2	0.0	-3.4	-1.3	0.5
Canada	2.9	3.2	2.2	0.8	-1.8	-0.7	0.8
France	0.4	1.0	1.5	0.8	0.0	-0.6	-1.2
Germany	0.7	0.8	1.5	3.0	2.5	-1.5	-1.4
Italy	-0.3	0.5	-0.1	1.2	0.7	-1.0	-3.1
Japan	1.0	1.7	2.0	2.0	1.9	1.1	0.2
United Kingdom	2.6	4.3	2.4	0.3	-3.0	-2.1	-0.4
United States	2.6	2.2	2.1	1.2	-0.9	0.7	1.5

Table 13 (continued) (Per Cent)

	1994	1995	1996	1997	1998	1999	2000
Ontario	1.3	1.8	1.0	2.6	3.3	3.6	3.2
Canada	2.0	1.9	0.8	2.3	2.7	2.8	2.6
France	0.1	0.8	0.1	0.5	1.4	1.4	2.4
Germany	-0.2	0.2	-0.3	-0.2	0.9	1.1	1.5
Italy	-1.6	-0.6	0.5	0.4	1.1	1.2	1.9
Japan	0.1	0.1	0.4	1.1	-0.7	-0.8	-0.2
United Kingdom	1.0	1.4	1.1	2.0	1.1	1.3	1.0
United States	2.3	1.5	1.4	2.2	1.5	1.5	1.3

Sources: OECD, U.S. Bureau of Labor Statistics and Statistics Canada.

Table 14 **Ontario and the G-7, Unemployment Rates, 1987-2000**

(Per Cent)

	1987	1988	1989	1990	1991	1992	1993
Ontario	6.1	5.1	5.1	6.2	9.5	10.7	10.9
Canada	8.8	7.8	7.5	8.1	10.3	11.2	11.4
France	10.5	10.0	9.3	8.9	9.4	10.4	11.7
Germany	7.6	7.6	6.9	6.2	5.4	6.3	7.6
Italy	10.2	10.5	10.2	9.1	8.6	8.8	10.2
Japan	2.8	2.5	2.3	2.1	2.1	2.2	2.5
United Kingdom	10.2	7.8	6.1	5.9	8.2	10.2	10.3
United States	6.2	5.5	5.3	5.6	6.8	7.5	6.9

Table 14 (continued) (Per Cent)

	1994	1995	1996	1997	1998	1999	2000
Ontario	9.6	8.7	9.0	8.4	7.2	6.3	5.7
Canada	10.4	9.4	9.6	9.1	8.3	7.6	6.8
France	12.2	11.6	12.3	12.4	11.8	11.2	9.7
Germany	8.2	7.9	8.6	9.5	8.9	8.3	7.8
Italy	11.2	11.7	11.7	11.8	11.9	11.5	10.7
Japan	2.9	3.1	3.4	3.4	4.1	4.7	4.7
United Kingdom	9.4	8.5	7.9	6.5	5.9	6.0	5.5
United States	6.1	5.6	5.4	4.9	4.5	4.2	4.0

Sources: OECD, U.S. Bureau of Labor Statistics and Statistics Canada.

Table 15 **Ontario and the G-7, CPI Inflation Rates, 1987-2000**

(Per Cent)

	1987	1988	1989	1990	1991	1992	1993
Ontario	5.0	4.8	5.7	4.9	4.7	1.0	1.8
Canada	4.4	4.0	5.0	4.8	5.6	1.5	1.8
France	3.3	2.7	3.5	3.6	3.2	2.4	2.1
Germany	0.2	1.3	2.8	2.7	3.6	5.1	4.4
Italy	4.7	5.1	6.3	6.5	6.3	5.3	4.6
Japan	0.1	0.7	2.3	3.1	3.3	1.7	1.2
United Kingdom	4.1	4.9	7.8	9.5	5.9	3.7	1.6
United States	3.6	4.1	4.8	5.4	4.2	3.0	3.0

Table 15 (continued) (Per Cent)

	1994	1995	1996	1997	1998	1999	2000
Ontario	0.0	2.5	1.5	1.9	0.9	1.9	2.9
Canada	0.2	2.2	1.6	1.6	0.9	1.7	2.7
France	1.7	1.8	2.0	1.2	0.8	0.5	1.7
Germany	2.8	1.7	1.4	1.9	0.9	0.6	1.9
Italy	4.1	5.2	4.0	2.0	2.0	1.6	2.6
Japan	0.7	-0.1	0.1	1.7	0.6	-0.3	-0.6
United Kingdom	2.5	3.4	2.4	3.1	3.4	1.6	2.9
United States	2.6	2.8	3.0	2.3	1.6	2.2	3.4

Sources: OECD, U.S. Bureau of Labor Statistics and Statistics Canada.

Table 16 **G-7, Exchange Rates, 1987-2000**

(Foreign Currency per Canadian Dollar)

	1987	1988	1989	1990	1991	1992	1993
Euro*	-	-	-	-	-	-	-
France	4.525	4.831	5.376	4.651	4.902	4.367	4.386
Germany	1.353	1.422	1.585	1.381	1.441	1.289	1.280
Italy	980.4	1,052.6	1,162.8	1,020.4	1,075.3	1,020.4	1,219.5
Japan	108.8	104.1	116.3	123.5	117.2	104.7	85.8
United Kingdom	0.460	0.456	0.515	0.480	0.493	0.469	0.516
United States	0.754	0.812	0.845	0.857	0.873	0.827	0.775

Table 16 (continued) (Foreign Currency per Canadian Dollar)

	1994	1995	1996	1997	1998	1999	2000
Euro*	-	-	-	-	-	0.631	0.730
France	4.050	3.631	3.750	4.211	3.968	4.139	4.787
Germany	1.184	1.043	1.103	1.251	1.183	1.234	1.427
Italy	1,176.5	1,186.2	1,131.2	1,228.5	1,168.2	1,222.5	1,412.4
Japan	74.7	68.0	79.7	87.3	87.8	76.3	72.6
United Kingdom	0.478	0.461	0.470	0.441	0.407	0.416	0.444
United States	0.732	0.729	0.733	0.722	0.674	0.673	0.673

* Introduced January 4, 1999.
Note: All data are annual averages.
Source: Bank of Canada.

Table 17 Ontario, International Merchandise Exports by Major Commodity[1], 2000

	Value ($ Millions)	Per Cent of Total
Motor Vehicles, Parts and Accessories	80,162	38.7
Machinery and Mechanical Appliances	25,781	12.5
Electrical Machinery and Equipment	11,169	5.4
Plastics and Plastic Articles	7,120	3.4
Non-Ferrous Metals and Allied Products	6,994	3.4
Pulp; Paper and Allied Products	6,796	3.3
Furniture and Fixtures, Signs, Prefabricated Buildings	5,352	2.6
Prepared Foodstuffs, Beverages and Tobacco	4,006	1.9
Articles of Iron and Steel	3,682	1.8
Scientific, Professional and Photo Equipment, Clocks	3,589	1.7
Precious Metals, Stones and Coins	3,212	1.6
Other Chemical Products	3,029	1.5
Wood and Wood Products	3,012	1.5
Mineral Products	2,926	1.4
Iron and Steel	2,616	1.3
Aircraft, Spacecraft and Parts	2,593	1.3
Rubber and Rubber Articles	2,104	1.0
Articles of Stone, Cement, Ceramic and Glass	1,583	0.8
Organic Chemicals	1,428	0.7
Textiles and Textile Articles	1,382	0.7
Live Animals; Animal Products	1,360	0.7
Vegetable Products; Fats and Oils	1,340	0.6
Inorganic Chemicals; Chemical Elements and Compounds	1,201	0.6
Pharmaceutical Products	965	0.5
Railway, Rolling Stock and Parts	957	0.5
Printed Matter	868	0.4
Apparel and Clothing Accessories	792	0.4
Toys, Games and Sports Equipment	582	0.3
Hides, Leather, Travel Goods and Furs	375	0.2
Miscellaneous Articles; Works of Art	319	0.2
Other Textile and Clothing Articles	174	0.1
Ships, Boats and Floating Structures	67	0.0
Footwear	55	0.0
Headgear, Umbrellas, Artificial Flowers	41	0.0
Other Commodities[2]	19,438	9.4
Total Exports	**207,065**	**100.0**

Notes:

1. Ontario Ministry of Economic Development and Trade definition of product groupings based on two-digit Harmonized System Codes. Data are customs based.
2. Other Commodities includes re-exports and special transactions.

Source: Industry Canada.

Table 18 Ontario, International Merchandise Imports by Major Commodity[1], 2000

	Value ($ Millions)	Per Cent of Total
Motor Vehicles, Parts and Accessories	48,978	21.6
Machinery and Mechanical Appliances	47,072	20.7
Electrical Machinery and Equipment	31,671	14.0
Scientific, Professional and Photo Equipment, Clocks	8,976	4.0
Plastics and Plastic Articles	8,256	3.6
Non-Ferrous Metals and Allied Products	7,899	3.5
Other Chemical Products	6,990	3.1
Prepared Foodstuffs, Beverages and Tobacco	4,801	2.1
Pulp; Paper and Allied Products	4,520	2.0
Articles of Iron and Steel	4,490	2.0
Furniture and Fixtures, Signs, Prefabricated Buildings	4,089	1.8
Iron and Steel	3,882	1.7
Pharmaceutical Products	3,747	1.7
Vegetable Products; Fats and Oils	3,692	1.6
Rubber and Rubber Articles	3,583	1.6
Organic Chemicals	3,128	1.4
Articles of Stone, Cement, Ceramic and Glass	3,088	1.4
Textiles and Textile Articles	2,974	1.3
Mineral Products	2,966	1.3
Printed Matter	2,362	1.0
Apparel and Clothing Accessories	2,075	0.9
Aircraft, Spacecraft and Parts	1,786	0.8
Precious Metals, Stones and Coins	1,765	0.8
Toys, Games and Sports Equipment	1,720	0.8
Live Animals; Animal Products	1,563	0.7
Wood and Wood Products	1,413	0.6
Inorganic Chemicals; Chemical Elements and Compounds	1,134	0.5
Hides, Leather, Travel Goods and Furs	703	0.3
Railway, Rolling Stock and Parts	697	0.3
Footwear	693	0.3
Miscellaneous Articles; Works of Art	668	0.3
Other Textile and Clothing Articles	493	0.2
Ships, Boats and Floating Structures	225	0.1
Headgear, Umbrellas, Artificial Flowers	145	0.1
Other Commodities[2]	4,769	2.1
Total Imports	**227,011**	**100.0**

Notes:

1. Ontario Ministry of Economic Development and Trade definition of product groupings based on two-digit Harmonized System Codes. Data are customs based.
2. Other Commodities includes trans-shipments from one province to another through a foreign jurisdiction and special transactions.

Source: Industry Canada.

Table 19 **Ontario, International Merchandise Trade by Major Region, 2000**

	Exports ($ Millions)	Per Cent of Total	Imports ($ Millions)	Per Cent of Total
United States	193,119	93.3	167,438	73.8
Western Europe	6,775	3.3	15,738	6.9
European Union	5,899	2.8	14,601	6.4
Other Western Europe	876	0.4	1,137	0.5
Eastern Europe	330	0.2	809	0.4
Asia	3,492	1.7	25,457	11.2
Oceania (Pacific)	406	0.2	633	0.3
Pacific Rim	3,768	1.8	25,232	11.1
Caribbean	325	0.2	172	0.1
Latin America	1,845	0.9	12,056	5.3
Mexico	964	0.5	9,978	4.4
Middle East	465	0.2	556	0.2
Africa	307	0.1	495	0.2
Re-Imports (Canada)	0	0.0	3,657	1.6
Total	**207,065**	**100.0**	**227,011**	**100.0**

Note: Data are customs based, and include re-exports.
Source: Industry Canada.

Table 20 Canada, International Merchandise Trade by Major Region, 2000

	Exports ($ Millions)	Per Cent of Total	Imports ($ Millions)	Per Cent of Total
United States	359,289	87.0	229,564	64.4
Western Europe	20,553	5.0	42,818	12.0
European Union	19,122	4.6	36,877	10.3
Other Western Europe	1,432	0.3	5,941	1.7
Eastern Europe	760	0.2	1,902	0.5
Asia	20,932	5.1	49,532	13.9
Oceania (Pacific)	1,399	0.3	2,090	0.6
Pacific Rim	21,490	5.2	49,610	13.9
Caribbean	889	0.2	871	0.2
Latin America	5,409	1.3	17,585	4.9
Mexico	2,036	0.5	12,067	3.4
Middle East	2,065	0.5	2,839	0.8
Africa	1,569	0.4	2,761	0.8
Re-Imports (Canada)	0	0.0	6,754	1.9
Total	**412,867**	**100.0**	**356,718**	**100.0**

Note: Data are customs based.
Source: Industry Canada.

Table 21	Ontario, Selected Demographic Characteristics, 1981-2016[1]					
	Estimates[2]			Projections[3]		
	1981	1991	2001	2006	2011	2016
Total Population (000s)	8,811	10,428	11,874	12,526	13,199	13,860
Annual Average Growth						
Over Preceding Decade (%)	1.2	1.7	1.3	1.2	1.1	1.0
Median Age (Years)	30.4	33.3	36.8	38.5	39.8	40.8
Age Group Shares (%)						
0-14	21.6	20.1	19.2	17.7	16.3	15.8
15-24	19.0	14.5	13.1	13.4	13.4	12.5
25-44	29.5	34.2	31.9	29.7	27.9	27.5
45-64	19.9	19.6	23.2	26.1	28.3	28.3
65-74	6.1	7.0	6.9	7.0	7.6	9.1
75+	3.8	4.6	5.6	6.2	6.5	6.8
Total Fertility Rate	1.6	1.6	NA	1.5	1.5	1.5
Life Expectancy (Years)						
Male	72.5	75.0	NA	77.6	78.3	79.1
Female	79.2	81.0	NA	82.3	82.8	83.3
Families (000s)[4]	2,279	2,727	NA	NA	NA	NA
Households (000s)[4]	2,970	3,638	NA	4,857	5,262	5,667

Notes:
1. Population figures are for July (Census year).
2. Estimates by Statistics Canada based on the 1996 Census adjusted for net Census undercoverage.
3. Projections by Ontario Ministry of Finance released in July 2000 are based on the 1999 postcensal estimates.
4. Census data and projections by Statistics Canada.

Sources: Statistics Canada population estimates and projections and Ontario Ministry of Finance population projections.

Table 22 Ontario, Components of Population Growth, 1991-92 to 2000-01[1]

(Thousands)

	1991-92	1992-93	1993-94	1994-95	1995-96
Population at Beginning of Period	**10,427.6**	**10,570.5**	**10,690.4**	**10,827.5**	**10,964.9**
Births	152.1	148.7	147.1	147.2	143.1
Deaths	73.6	74.6	77.3	78.2	77.7
Immigrants	128.3	145.0	119.6	119.8	115.4
Emigrants	19.5	18.6	19.2	19.9	20.0
Interprovincial Arrivals	70.8	66.4	64.6	66.9	69.1
Interprovincial Departures	81.9	80.6	74.0	69.7	71.9
Net Non-Permanent Residents	-21.7	-54.4	-12.0	-16.9	-12.2
Population Growth During Period	142.9	120.0	137.1	137.4	136.0
Population at End of Period [2]	**10,570.5**	**10,690.4**	**10,827.5**	**10,964.9**	**11,100.9**
Population Growth (%)	1.4	1.1	1.3	1.3	1.2

Table 22 (continued)

(Thousands)

	1996-97	1997-98	1998-99	1999-00	2000-01
Population at Beginning of Period	**11,100.9**	**11,249.5**	**11,387.3**	**11,522.7**	**11,685.3**
Births	136.3	133.2	132.1	131.4	130.7
Deaths	80.4	80.1	81.4	83.7	87.6
Immigrants	119.6	106.5	91.8	116.8	149.9
Emigrants	25.0	27.8	28.9	30.5	32.2
Interprovincial Arrivals	70.0	75.2	72.8	78.9	85.8
Interprovincial Departures	68.0	66.0	56.1	56.5	67.9
Net Non-Permanent Residents	-3.9	-3.2	5.0	6.2	10.4
Population Growth During Period	148.8	139.7	136.1	161.7	189.1
Population at End of Period [2]	**11,249.5**	**11,387.3**	**11,522.7**	**11,685.3**	**11,874.4**
Population Growth (%)	1.3	1.2	1.2	1.4	1.6

Notes:

1. Data are from July 1 to June 30 (Census year).
2. The sum of the components does not equal the total change in population due to residual errors.

Source: Statistics Canada.

Table 23	Ontario, Labour Force, 1987-2000						
	1987	1988	1989	1990	1991	1992	1993
Labour Force (000s)	5,209	5,354	5,470	5,533	5,544	5,542	5,581
Annual Labour Force Growth (%)	2.6	2.8	2.2	1.2	0.2	0.0	0.7
Participation Rate (%)							
Male	79.0	78.6	78.8	78.0	76.4	75.1	74.4
Female	59.5	61.0	61.3	61.4	61.0	60.0	59.5
Share of Labour Force (%)							
Youth (15-24)	22.4	21.4	20.6	19.6	18.6	18.1	17.3
Older Worker (45+)	25.9	25.9	26.0	26.3	26.6	27.4	28.0

Table 23 (continued)

	1994	1995	1996	1997	1998	1999	2000
Labour Force (000s)	5,574	5,620	5,695	5,801	5,914	6,071	6,228
Annual Labour Force Growth (%)	-0.1	0.8	1.3	1.9	1.9	2.6	2.6
Participation Rate (%)							
Male	73.5	72.9	72.6	72.8	72.6	73.2	73.4
Female	58.8	58.7	58.9	59.1	59.7	60.4	61.2
Share of Labour Force (%)							
Youth (15-24)	16.8	16.4	16.2	15.9	15.7	16.0	16.1
Older Worker (45+)	28.8	29.1	29.5	30.2	30.6	31.3	32.0

Source: Statistics Canada.

Table 24	Ontario, Employment, 1987-2000						
	1987	1988	1989	1990	1991	1992	1993
Total Employment (000s)	4,893	5,083	5,193	5,191	5,016	4,949	4,974
Male	2,760	2,823	2,875	2,851	2,717	2,661	2,688
Female	2,133	2,260	2,318	2,340	2,299	2,288	2,286
Annual Employment Growth (%)	3.6	3.9	2.2	0.0	-3.4	-1.3	0.5
Net Job Creation (000s)	171	190	111	-2	-176	-67	25
Private-Sector Employment (000s)	4,000	4,135	4,225	4,174	3,986	3,899	3,912
Broader Public Sector Employment (000s)[1]	892	947	969	1,018	1,029	1,050	1,062
Manufacturing Employment (% of total)	21.2	20.8	20.1	19.2	18.0	17.3	16.5
Services Employment (% of total)	68.0	68.7	68.9	70.0	71.7	72.7	73.8
Part-time (% of total)	16.3	16.7	16.7	17.1	18.3	18.6	19.7
Average Hours Worked Per Week[2]	37.7	38.2	38.5	38.1	37.3	36.7	37.2

Table 24 (continued)	1994	1995	1996	1997	1998	1999	2000
Total Employment (000s)	5,039	5,131	5,181	5,313	5,490	5,688	5,872
Male	2,729	2,777	2,798	2,879	2,952	3,058	3,146
Female	2,311	2,353	2,383	2,435	2,538	2,630	2,726
Annual Employment Growth (%)	1.3	1.8	1.0	2.6	3.3	3.6	3.2
Net Job Creation (000s)	65	91	50	133	177	198	184
Private-Sector Employment (000s)	3,974	4,078	4,163	4,317	4,466	4,653	4,817
Broader Public Sector Employment (000s)[1]	1,065	1,052	1,018	996	1,024	1,035	1,055
Manufacturing Employment (% of total)	16.6	17.1	17.4	17.7	18.0	18.4	18.7
Services Employment (% of total)	74.0	73.7	73.6	73.4	73.2	72.7	72.7
Part-time (% of total)	19.0	18.8	19.3	19.2	18.6	18.0	17.9
Average Hours Worked Per Week[2]	37.6	37.2	37.6	37.8	37.8	37.9	38.1

Notes:

1. Broader Public Sector includes Public Administration, Health Care and Social Assistance, and Educational Services, except for certain private-sector components such as offices of health practitioners and some private-sector educational institutions. Industry groupings are based on the North American Industry Classification System (NAICS).
2. Average actual hours worked per week at all jobs, excluding persons not at work.

Sources: Statistics Canada and Ontario Ministry of Finance.

Table 25	Ontario, Unemployment, 1987-2000						
	1987	1988	1989	1990	1991	1992	1993
Total Unemployment (000s)	316	271	276	342	528	593	607
Unemployment Rate (%)	6.1	5.1	5.1	6.2	9.5	10.7	10.9
Male	5.5	4.7	4.8	6.2	10.0	11.9	11.5
Female	6.8	5.6	5.4	6.1	8.9	9.3	10.1
Toronto CMA	4.5	3.8	4.0	5.2	9.5	11.2	11.4
Northern Ontario	9.7	8.0	7.3	8.1	11.4	12.6	12.4
Youth (15-24)	9.4	7.9	7.7	10.0	15.0	17.4	17.5
Older Workers (45+)	4.4	3.6	3.3	4.0	6.8	7.4	7.6
Unemployment (% of total)							
Long-Term (27 weeks+)	16.7	12.8	13.2	13.7	22.5	29.7	33.4
Youth (15-24)	34.8	33.2	31.3	31.7	29.3	29.5	27.8
Older Workers (45+)	18.8	18.3	17.0	16.9	19.0	19.0	19.5
Average Duration (weeks)[1]	16.1	13.4	13.5	13.7	18.5	23.3	26.9
Youth (15-24)	10.8	8.6	8.4	10.0	13.5	16.6	18.4
Older Workers (45+)	22.2	20.0	19.5	18.9	22.7	29.7	33.7

Table 25 (continued)	1994	1995	1996	1997	1998	1999	2000
Total Unemployment (000s)	535	489	515	488	424	383	356
Unemployment Rate (%)	9.6	8.7	9.0	8.4	7.2	6.3	5.7
Male	10.0	8.9	9.0	8.2	7.1	6.2	5.5
Female	9.1	8.5	9.0	8.7	7.2	6.4	5.9
Toronto CMA	10.4	8.6	9.1	8.0	7.0	6.1	5.5
Northern Ontario	11.6	9.9	10.7	10.4	11.0	9.0	8.2
Youth (15-24)	15.5	14.6	14.9	16.4	14.4	13.1	11.8
Older Workers (45+)	7.0	6.5	6.4	5.9	5.3	4.2	4.0
Unemployment (% of total)							
Long-Term (27 weeks+)	32.3	29.4	28.3	25.5	21.8	19.0	15.4
Youth (15-24)	27.1	27.5	26.6	30.9	31.5	33.3	33.1
Older Workers (45+)	21.1	21.7	20.8	21.3	22.6	20.7	22.4
Average Duration (weeks)[1]	27.5	25.8	24.8	26.6	23.2	21.2	17.8
Youth (15-24)	17.8	16.2	15.4	13.7	12.7	11.5	9.8
Older Workers (45+)	34.6	33.4	31.1	42.6	39.2	33.6	28.1

Note:

1. Prior to 1997, unemployment of 100 or more weeks was recorded as 99 due to data processing limitations. This restriction was removed for data after 1996.

Source: Statistics Canada.

Table 26 Ontario, Employment Insurance (EI) and Social Assistance, 1987-2000

	1987	1988	1989	1990	1991	1992	1993
EI Regular Beneficiaries (000s)	190	172	167	225	319	322	294
EI Maximum Insurable Earnings ($)[1]	530	565	605	640	680	710	745
EI Maximum Weekly Entitlement ($)	318	339	363	384	408	426	425
EI Premium Rate							
Employer ($/$100 Insurable Earnings)	3.29	3.29	2.73	3.15	3.15/3.92[2]	4.20	4.20
Employee ($/$100 Insurable Earnings)	2.35	2.35	1.95	2.25	2.25/2.80[2]	3.00	3.00
EI Total Benefits Paid ($ millions)[3]	2,387	2,370	2,470	3,419	5,362	5,845	5,406
EI Premiums Paid ($ millions)[3]	4,379	4,804	4,346	5,281	6,058	7,279	7,400
Social Assistance Caseload (000s)	279	289	307	366	499	608	660

Table 26 (continued)	1994	1995	1996	1997	1998	1999	2000
EI Regular Beneficiaries (000s)	228	181	180	151	131	110	101
EI Maximum Insurable Earnings ($)[1]	780	815	750	39,000	39,000	39,000	39,000
EI Maximum Weekly Entitlement ($)	429	448	413	413	413	413	413
EI Premium Rate							
Employer ($/$100 Insurable Earnings)	4.30	4.20	4.13	4.06	3.78	3.57	3.36
Employee ($/$100 Insurable Earnings)	3.07	3.00	2.95	2.90	2.70	2.55	2.40
EI Total Benefits Paid ($ millions)[3]	4,511	3,796	3,653	3,436	3,141	3,051	2,787
EI Premiums Paid ($ millions)[3]	7,797	7,997	7,555	7,980	7,984	7,587[4]	7,677[4]
Social Assistance Caseload (000s)	673	660	600	568	529[5]	479[5]	435[5]

Notes :

1. Effective January 1, 1997, the maximum weekly insurable earnings of $750 was eliminated and replaced with an annual maximum set at $39,000.
2. Premium rates for 1991 changed at mid-year.
3. Employment Insurance benefit payments are on a cash basis; premiums are paid on an accrual basis.
4. Premiums paid in 1999 and 2000 are Ontario Ministry of Finance estimates.
5. The number of social assistance cases from 1998 to 2000 includes recipients of the Ontario Works program, the Ontario Disability Support Program, Temporary Care Assistance and the Assistance for Children with Severe Disabilities program. The *Ontario Works Act* was proclaimed in May 1998 and replaced the *General Welfare Act*. The *Ontario Disability Support Program Act* was proclaimed in June 1998.

Sources: Statistics Canada, Human Resources Development Canada, Ontario Ministry of Finance and Ontario Ministry of Community and Social Services.

Table 27	Ontario, Labour Compensation, 1987-2000						
	1987	1988	1989	1990	1991	1992	1993
Average Weekly Earnings ($)[1]	NA	NA	NA	NA	576.88	599.56	612.76
Increase (%)	NA	NA	NA	NA	NA	3.9	2.2
CPI Inflation (%)	5.0	4.8	5.7	4.9	4.7	1.0	1.8
AWE Increase Less CPI Inflation (%)	NA	NA	NA	NA	NA	2.9	0.4
AWE - Manufacturing ($)	NA	NA	NA	NA	683.30	716.55	739.20
Increase (%)	NA	NA	NA	NA	NA	4.9	3.2
Increase Less CPI Inflation (%)	NA	NA	NA	NA	NA	3.9	1.4
Wage Settlement Increases (%)[2]							
All Sectors	3.9	4.7	5.6	6.5	4.9	2.7	1.0
Public	4.6	4.7	5.8	6.8	5.0	2.6	0.5
Private	2.7	4.6	5.1	6.3	4.6	2.7	1.9
Person Days Lost Due to Strikes and Lockouts (000s)	1,109	1,362	869	2,958	454	578	371
Minimum Wage at Year End ($/hour)	4.55	4.75	5.00	5.40	6.00	6.35	6.35

Table 27 (continued)	1994	1995	1996	1997	1998	1999	2000
Average Weekly Earnings ($)[1]	628.50	634.47	649.71	663.51	672.36	681.91	697.92
Increase (%)	2.6	0.9	2.4	2.1	1.3	1.4	2.3
CPI Inflation (%)	0.0	2.5	1.5	1.9	0.9	1.9	2.9
AWE Increase Less CPI Inflation (%)	2.6	-1.6	0.9	0.2	0.4	-0.5	-0.6
AWE - Manufacturing ($)	761.95	770.80	794.09	821.28	841.39	851.17	869.24
Increase (%)	3.1	1.2	3.0	3.4	2.4	1.2	2.1
Increase Less CPI Inflation (%)	3.1	-1.3	1.5	1.5	1.5	-0.7	-0.8
Wage Settlement Increases (%)[2]							
All Sectors	0.4	1.0	1.1	1.2	1.7	2.0	2.6
Public	0.1	0.2	0.3	0.7	1.3	1.4	2.7
Private	1.1	1.7	2.2	2.2	2.2	3.1	2.4
Person Days Lost Due to Strikes and Lockouts (000s)	488	477	1,915	1,904	1,061	651	650
Minimum Wage at Year End ($/hour)	6.70	6.85	6.85	6.85	6.85	6.85	6.85

Notes:

1. Average Weekly Earnings (AWE) includes overtime. In 2001, Statistics Canada changed its estimates of AWE from the 1980 Standard Industrial Classification (SIC) to the North American Industry Classification System (NAICS). AWE based on NAICS is available only back to 1991.
2. Wage settlement increases are for collective agreements covering 200 or more employees.

Sources: Statistics Canada, Ontario Ministry of Labour and Ontario Ministry of Finance.

Table 28	Ontario, Employment by Occupation, 1989-2000					
						(Thousands)
	1989	1990	1991	1992	1993	1994
Management	512	533	555	540	569	548
Business, Finance & Administrative	1,065	1,068	1,011	1,001	961	965
Natural & Applied Sciences	249	256	265	253	247	250
Health	234	233	248	241	255	254
Social Science, Education, Government Service & Religion	298	316	321	344	344	375
Art, Culture, Recreation & Sport	137	133	122	129	138	150
Sales & Service	1,182	1,203	1,168	1,185	1,221	1,216
Trades, Transport & Equipment Operators	802	781	719	683	678	692
Primary Industry	161	157	151	147	154	147
Processing, Manufacturing & Utilities	555	512	456	426	408	443
Total	**5,193**	**5,191**	**5,016**	**4,949**	**4,974**	**5,039**

Table 28 (continued)						(Thousands)
	1995	1996	1997	1998	1999	2000
Management	596	585	590	595	553	566
Business, Finance & Administrative	979	968	962	993	1,050	1,079
Natural & Applied Sciences	272	270	296	327	388	423
Health	252	245	261	255	272	279
Social Science, Education, Government Service & Religion	341	340	342	356	389	401
Art, Culture, Recreation & Sport	140	148	143	155	169	172
Sales & Service	1,243	1,272	1,305	1,348	1,354	1,408
Trades, Transport & Equipment Operators	712	721	756	777	790	806
Primary Industry	143	142	143	139	153	142
Processing, Manufacturing & Utilities	453	490	515	545	571	597
Total	**5,131**	**5,181**	**5,313**	**5,490**	**5,688**	**5,872**

Note: Occupation groupings based on 1991 Standard Occupational Classification.
Source: Statistics Canada.

Table 29 **Ontario, Distribution of Employment by Occupation, 1989-2000**

(Per Cent)

	1989	1990	1991	1992	1993	1994
Management	9.9	10.3	11.1	10.9	11.4	10.9
Business, Finance & Administrative	20.5	20.6	20.2	20.2	19.3	19.1
Natural & Applied Sciences	4.8	4.9	5.3	5.1	5.0	5.0
Health	4.5	4.5	4.9	4.9	5.1	5.0
Social Science, Education, Government Service & Religion	5.7	6.1	6.4	7.0	6.9	7.4
Art, Culture, Recreation & Sport	2.6	2.6	2.4	2.6	2.8	3.0
Sales & Service	22.8	23.2	23.3	23.9	24.6	24.1
Trades, Transport & Equipment Operators	15.4	15.1	14.3	13.8	13.6	13.7
Primary Industry	3.1	3.0	3.0	3.0	3.1	2.9
Processing, Manufacturing & Utilities	10.7	9.9	9.1	8.6	8.2	8.8
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Table 29 (continued)

(Per Cent)

	1995	1996	1997	1998	1999	2000
Management	11.6	11.3	11.1	10.8	9.7	9.6
Business, Finance & Administrative	19.1	18.7	18.1	18.1	18.5	18.4
Natural & Applied Sciences	5.3	5.2	5.6	6.0	6.8	7.2
Health	4.9	4.7	4.9	4.6	4.8	4.7
Social Science, Education, Government Service & Religion	6.6	6.6	6.4	6.5	6.8	6.8
Art, Culture, Recreation & Sport	2.7	2.9	2.7	2.8	3.0	2.9
Sales & Service	24.2	24.5	24.6	24.6	23.8	24.0
Trades, Transport & Equipment Operators	13.9	13.9	14.2	14.2	13.9	13.7
Primary Industry	2.8	2.7	2.7	2.5	2.7	2.4
Processing, Manufacturing & Utilities	8.8	9.5	9.7	9.9	10.0	10.2
Total	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**

Note: Occupation groupings based on 1991 Standard Occupational Classification.
Source: Statistics Canada.

Table 30	Ontario, Employment by Industry, 1991-2000				
					(Thousands)
	1991	1992	1993	1994	1995
Goods Producing Industries	**1,420**	**1,352**	**1,302**	**1,312**	**1,348**
Primary Industries	165	162	159	155	152
Agriculture	112	110	114	112	107
Manufacturing	905	857	822	838	878
Construction	285	269	264	271	269
Utilities	64	64	57	49	49
Services Producing Industries	**3,596**	**3,597**	**3,672**	**3,727**	**3,782**
Trade	759	765	778	771	767
Transportation & Warehousing	223	212	221	236	242
Finance, Insurance, Real Estate & Leasing	382	367	367	355	365
Professional, Scientific & Technical Services	269	267	270	282	302
Management, Administrative & Other Support	143	144	152	158	174
Educational Services	333	346	356	364	358
Health Care & Social Assistance	482	484	496	503	510
Information, Culture & Recreation	204	202	209	223	233
Accommodation & Food Services	272	277	281	288	293
Public Administration	316	318	318	314	305
Other Services	214	216	225	234	235
Total Employment	**5,016**	**4,949**	**4,974**	**5,039**	**5,131**

Table 30 (continued)	Ontario, Employment by Industry, 1991-2000				
					(Thousands)
	1996	1997	1998	1999	2000
Goods Producing Industries	**1,366**	**1,412**	**1,469**	**1,550**	**1,602**
Primary Industries	151	143	144	152	133
Agriculture	105	103	106	114	98
Manufacturing	904	939	989	1,049	1,099
Construction	261	282	288	300	324
Utilities	50	48	49	50	46
Services Producing Industries	**3,815**	**3,902**	**4,021**	**4,138**	**4,271**
Trade	783	802	813	850	874
Transportation & Warehousing	244	248	261	260	278
Finance, Insurance, Real Estate & Leasing	372	377	376	384	385
Professional, Scientific & Technical Services	313	350	372	397	424
Management, Administrative & Other Support	181	194	210	224	246
Educational Services	340	340	347	368	369
Health Care & Social Assistance	503	495	518	518	544
Information, Culture & Recreation	232	248	243	257	282
Accommodation & Food Services	315	316	335	340	343
Public Administration	290	279	284	286	274
Other Services	242	251	262	254	252
Total Employment	**5,181**	**5,313**	**5,490**	**5,688**	**5,872**

Note: Industrial groupings based on North American Industry Classification System (NAICS).
Source: Statistics Canada.

Table 31 **Ontario, Growth in Employment by Industry, 1991-2000**

(Per Cent Change)

	1991	1992	1993	1994	1995
Goods Producing Industries	**-8.8**	**-4.8**	**-3.7**	**0.8**	**2.7**
Primary Industries	-3.4	-2.3	-1.5	-2.5	-1.8
Agriculture	-0.3	-1.7	3.3	-2.2	-4.3
Manufacturing	-9.0	-5.3	-4.2	2.0	4.8
Construction	-12.8	-5.6	-1.9	2.5	-0.7
Utilities	0.9	0.3	-11.5	-13.9	0.6
Services Producing Industries	**-1.1**	**0.0**	**2.1**	**1.5**	**1.5**
Trade	-2.4	0.9	1.6	-0.9	-0.6
Transportation & Warehousing	-4.8	-5.0	4.5	6.6	2.8
Finance, Insurance, Real Estate & Leasing	-2.6	-3.8	0.0	-3.4	2.8
Professional, Scientific & Technical Services	2.5	-0.6	1.1	4.4	7.0
Management, Administrative & Other Support	6.1	0.8	5.7	3.8	9.9
Educational Services	2.6	3.7	3.0	2.2	-1.7
Health Care & Social Assistance	1.1	0.4	2.5	1.5	1.4
Information, Culture & Recreation	-4.7	-1.3	3.4	6.7	4.6
Accommodation & Food Services	-5.4	2.1	1.3	2.5	1.8
Public Administration	0.9	0.7	0.2	-1.4	-2.8
Other Services	-2.2	0.6	4.1	4.2	0.4
Total Employment	**-3.4**	**-1.3**	**0.5**	**1.3**	**1.8**

Table 31 (continued) **Ontario, Growth in Employment by Industry, 1991-2000**

(Per Cent Change)

	1996	1997	1998	1999	2000
Goods Producing Industries	**1.3**	**3.4**	**4.1**	**5.5**	**3.3**
Primary Industries	-0.9	-5.5	1.1	5.6	-12.7
Agriculture	-1.5	-2.5	3.1	7.9	-14.4
Manufacturing	2.9	3.9	5.4	6.0	4.8
Construction	-2.6	8.0	1.8	4.4	7.8
Utilities	1.6	-3.2	1.0	1.2	-6.3
Services Producing Industries	**0.9**	**2.3**	**3.0**	**2.9**	**3.2**
Trade	2.2	2.4	1.4	4.5	2.8
Transportation & Warehousing	0.6	1.8	5.3	-0.5	7.0
Finance, Insurance, Real Estate & Leasing	2.2	1.3	-0.5	2.3	0.3
Professional, Scientific & Technical Services	3.8	11.7	6.3	6.5	6.8
Management, Administrative & Other Support	4.0	7.4	8.0	7.0	9.5
Educational Services	-5.0	0.0	2.1	6.2	0.2
Health Care & Social Assistance	-1.4	-1.5	4.6	0.0	5.0
Information, Culture & Recreation	-0.5	7.0	-2.1	5.7	9.9
Accommodation & Food Services	7.4	0.6	5.8	1.6	0.7
Public Administration	-4.9	-3.7	1.6	0.6	-4.0
Other Services	3.1	3.5	4.6	-3.3	-0.8
Total Employment	**1.0**	**2.6**	**3.3**	**3.6**	**3.2**

Note: Industrial groupings based on North American Industry Classification System (NAICS).
Source: Statistics Canada.

Table 32 Ontario, Employment by Economic Regions, 1989-2000

(Thousands)

	1989	1990	1991	1992	1993	1994
Ontario	**5,193**	**5,191**	**5,016**	**4,949**	**4,974**	**5,039**
Region:*						
East	**686**	**683**	**669**	**682**	**683**	**701**
Ottawa (510)	508	518	513	508	503	521
Kingston-Pembroke (515)	178	175	176	174	180	180
Greater Toronto Area (530)[1]	**2,255**	**2,244**	**2,130**	**2,104**	**2,118**	**2,115**
Central	**1,185**	**1,200**	**1,163**	**1,149**	**1,139**	**1,173**
Muskoka-Kawarthas (520)	138	138	136	140	136	137
Kitchener-Waterloo-Barrie (540)	453	450	449	450	458	470
Hamilton-Niagara Peninsula (550)	595	612	578	559	546	567
Southwest	**703**	**695**	**682**	**676**	**689**	**705**
London (560)	278	280	281	275	285	288
Windsor-Sarnia (570)	282	268	263	266	267	274
Stratford-Bruce Peninsula (580)	143	138	138	135	137	143
North	**364**	**368**	**352**	**337**	**344**	**345**
Northeast (590)	254	256	244	233	238	237
Northwest (595)	111	112	108	104	106	108

Table 32 (continued)

(Thousands)

	1995	1996	1997	1998	1999	2000
Ontario	**5,131**	**5,181**	**5,313**	**5,490**	**5,608**	**5,872**
Region:*						
East	**674**	**674**	**685**	**726**	**750**	**757**
Ottawa (510)	501	508	516	543	555	573
Kingston-Pembroke (515)	172	166	170	183	195	184
Greater Toronto Area (530)[1]	**2,215**	**2,242**	**2,348**	**2,426**	**2,511**	**2,616**
Central	**1,194**	**1,209**	**1,230**	**1,276**	**1,322**	**1,371**
Muskoka-Kawarthas (520)	148	148	150	152	161	165
Kitchener-Waterloo-Barrie (540)	469	478	496	515	543	552
Hamilton-Niagara Peninsula (550)	577	583	584	609	618	654
Southwest	**686**	**699**	**704**	**714**	**744**	**763**
London (560)	285	278	283	286	299	307
Windsor-Sarnia (570)	271	279	277	286	296	304
Stratford-Bruce Peninsula (580)	130	142	145	142	149	152
North	**362**	**357**	**345**	**348**	**361**	**366**
Northeast (590)	248	247	241	244	249	253
Northwest (595)	114	110	105	105	112	113

* Standard deviations vary significantly across regions, decreasing as the size of the region increases.

Notes:

1. Economic region of Toronto (530) closely matches the GTA, except that it excludes the city of Burlington.

Sources: Statistics Canada and Ontario Ministry of Finance.

Table 33 **Ontario, Employment by Industry for Economic Regions, 2000**

(Thousands)

	All Industries	Agriculture	Resources[1]	Manu-facturing
Ontario	**5,872**	**98**	**35**	**1,099**
Region:				
East	**757**	**10**	**3**	**90**
Ottawa (510)	573	7	1	65
Kingston-Pembroke (515)	184	3	2	25
Greater Toronto Area (530)	**2,616**	**9**	**3**	**484**
Central	**1,371**	**33**	**4**	**311**
Muskoka-Kawarthas (520)	165	3	2	29
Kitchener-Waterloo-Barrie (540)	552	13	1	146
Hamilton-Niagara Peninsula (550)	654	17	1	136
Southwest	**763**	**42**	**3**	**175**
London (560)	307	14	1	61
Windsor-Sarnia (570)	304	10	2	85
Stratford-Bruce Peninsula (580)	152	18	-	30
North	**366**	**3**	**22**	**39**
Northeast (590)	253	3	15	24
Northwest (595)	113	1	7	14

Table 33 (continued)

(Thousands)

	Construction	Distributive[2]	Finance, Prof. & Mgmt.[3]	Info., Culture & Recreation[4]
Ontario	**324**	**534**	**1,054**	**282**
Region:				
East	**41**	**55**	**124**	**37**
Ottawa (510)	28	41	101	31
Kingston-Pembroke (515)	13	13	23	7
Greater Toronto Area (530)	**137**	**259**	**614**	**149**
Central	**86**	**118**	**188**	**54**
Muskoka-Kawarthas (520)	14	14	18	7
Kitchener-Waterloo-Barrie (540)	36	48	76	19
Hamilton-Niagara Peninsula (550)	35	56	95	28
Southwest	**41**	**67**	**92**	**28**
London (560)	16	26	44	8
Windsor-Sarnia (570)	15	25	34	16
Stratford-Bruce Peninsula (580)	10	17	14	3
North	**20**	**34**	**36**	**14**
Northeast (590)	14	23	26	11
Northwest (595)	5	11	11	4

Table 33 (continued) Ontario, Employment by Industry for Economic Regions, 2000

(Thousands)

	Retail Trade	Personal Services[5]	Education
Ontario	**665**	**594**	**369**
Region:			
East	**83**	**83**	**52**
Ottawa (510)	58	63	36
Kingston-Pembroke (515)	25	20	17
Greater Toronto Area (530)	**287**	**236**	**149**
Central	**158**	**153**	**89**
Muskoka-Kawarthas (520)	23	19	10
Kitchener-Waterloo-Barrie (540)	57	55	37
Hamilton-Niagara Peninsula (550)	79	80	42
Southwest	**86**	**77**	**48**
London (560)	33	31	25
Windsor-Sarnia (570)	36	31	17
Stratford-Bruce Peninsula (580)	18	16	7
North	**51**	**45**	**30**
Northeast (590)	36	32	20
Northwest (595)	15	13	10

Table 33 (continued)

(Thousands)

	Health & Soc. Assistance	Public Administration
Ontario	**544**	**274**
Region:		
East	**80**	**98**
Ottawa (510)	58	84
Kingston-Pembroke (515)	22	14
Greater Toronto Area (530)	**201**	**88**
Central	**128**	**47**
Muskoka-Kawarthas (520)	20	6
Kitchener-Waterloo-Barrie (540)	46	19
Hamilton-Niagara Peninsula (550)	63	23
Southwest	**84**	**21**
London (560)	40	9
Windsor-Sarnia (570)	27	8
Stratford-Bruce Peninsula (580)	16	4
North	**51**	**20**
Northeast (590)	35	14
Northwest (595)	16	7

- Employment numbers under 1,500 are suppressed because they are statistically unreliable.
  See standard deviation and GTA note for Table 32.
  Industrial groupings based on North American Industry Classification System (NAICS).

Notes:

1. Includes Forestry, Fishing, Mining, Oil and Gas.
2. Includes Transportation & Warehousing, Utilities and Wholesale Trade.
3. Includes Finance, Insurance, Real Estate & Leasing; Management of Companies, Administrative & Support Services; and Professional, Scientific & Technical Services.
4. Information, Culture & Recreation includes industries such as Publishing, Motion Picture & Sound Recording, Broadcasting & Telecommunications, Information Services & Data Processing Services, Performing Arts, Spectator Sports and Related Industries, Heritage Institutions and Amusement, Gambling & Recreation.
5. Includes Accommodation & Food Services and Other Services (such as Repair and Maintenance, Personal and Laundry, Religious, Grant-making, Civic, Professional and Similar Organizations).

Sources: Statistics Canada and Ontario Ministry of Finance.

Ontario Economic Regions[1]	
East	
Ottawa (510)	The united counties of Stormont, Dundas and Glengarry, Prescott and Russell, Leeds and Grenville, the county of Lanark and the Ottawa-Carleton Regional Municipality
Kingston-Pembroke (515)	The counties of Lennox and Addington, Hastings, Renfrew, Prince Edward and Frontenac
Central	
Muskoka-Kawarthas (520)	The counties of Northumberland, Peterborough, Victoria, Haliburton, and the Muskoka District Municipality
Kitchener-Waterloo-Barrie (540)	The counties of Dufferin, Wellington, and Simcoe and the Waterloo Regional Municipality
Hamilton-Niagara Peninsula (550)	The county of Brant, the Regional Municipalities of Hamilton-Wentworth, Niagara, Haldimand-Norfolk and the city of Burlington in the Halton Regional Municipality
Greater Toronto Area[2]	
Toronto (530)	Toronto Metropolitan Municipality, the Regional Municipalities of Durham, York, Peel and Halton (excluding the city of Burlington)
Southwest	
London (560)	The counties of Oxford, Elgin and Middlesex
Windsor-Sarnia (570)	The counties of Lambton, Essex and Kent
Stratford-Bruce Peninsula (580)	The counties of Perth, Huron, Bruce and Grey
North	
Northeast (590)	The districts of Nipissing, Parry Sound, Manitoulin, Sudbury, Timiskaming, Cochrane, Algoma, and the Sudbury Regional Municipality
Northwest (595)	The districts of Thunder Bay, Rainy River and Kenora

Notes:
1. As defined by Statistics Canada, *Guide to the Labour Force Survey*, February 2001.
2. Economic Region 530 closely matches the GTA, except that it excludes the city of Burlington.